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THE DIARY OF A. J. McPHAIL

THE DIARY OF ALEXANDER JAMES McPHAIL

Edited by
HAROLD A. INNIS



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TO THOSE WHO WORKED WITH McPHAIL IN THE
CO-OPERATIVE MOVEMENT OF
WESTERN CANADA

PREFACE

THE diary which has served as the basis of this volume is in the form of a manuscript typed by Mrs. A. J. McPhail and omits a large number of names as well as some parts of entries which I have not attempted to supply. I have in turn omitted the first year of his diary (1919), trivial details as to weather, his personal affairs, his family life, and visits to his farm in the Elfros district. In editing it I have arranged entries as far as possible by topics and chronologically. The material is chiefly concerned with the Saskatchewan organization but chapters IV, VI, part of VII, and VIII deal with the Central Sales Agency. No one is more aware than I am of the difficulties of rearrangement, but the alternative was to print the diary as it stood. As such it was unintelligible without intensive study. Indeed it still makes demands, and will always make demands, on the student of co-operation, but it is hoped that the divisions chosen and a careful use of the index will be of material assistance. As a record of the activities of McPhail and of the activities of a large number concerned with the co-operative movement, it will supplement the studies of Mackintosh and Patton and possibly modify the impressions created by royal commissions.

My interest in McPhail began with a letter of introduction from Professor C. R. Fay which I presented on August 10, 1923. I find in his diary:

We had a meeting of the wheat pool selection committee in our office in the morning with Sapiro present. Sapiro previously dictated a reply to the *Leader* to Miss Baird. Maharg, Brouillette, Thrasher, and I were the committee and Hamilton present. Fry of the *Farmers' Advocate* and Don McKenzie were also present. Had a frank talk with Maharg on Musselman. I told him it would not do to have him on the committee. He was sore, we nearly had a blow-up in the committee. J. A. Maharg said he was opposed to a contract pool. Robertson, Edwards, Innis of Toronto University, spent all evening in the office. Geo. Robertson took the 1.25 train to Calgary and I went to Swift Current [to hear Sapiro on the eleventh]. Mr. Maharg was appointed to ask Riddell to represent the Co-op. Elevator Co. on the Wheat Pool Committee. He afterwards reported.

The discussions of that evening ranged over such topics as the relations between the East and West, the secession movement, and the Hudson Bay Railway, but continually returned to the possibilities of the pooling system. It was generally agreed that the pool could not raise prices but that it could introduce various economies in marketing and increase and steady the returns to the farmer. I saw McPhail almost annually on trips to Western Canada and

learned of the problems of the organization. Early in January, 1927, he gave two lectures to students in the Department of Political Economy in Toronto and he impressed us with his broad appreciation of problems of the structure of pool organization and of marketing. I saw him last in the Royal York Hotel on April 13, 1931. He talked of the necessity of getting away for a long rest but could see no immediate prospect with the Stamp Commission immediately before him. He was much concerned with the problem of leadership in the co-operative movement.

It would be presumptuous to attempt to estimate his contributions to the achievement of a pool based on the patronage system in control of elevators in the Province of Saskatchewan, and to the establishment of a Wheat Board. The diary is an essentially personal record and throws important light on its author and on the problems of the organizations with which he was concerned. But it can be read intelligently only by those who knew him. The reader must remind himself again and again that he requires a definite astigmatic approach. McPhail's public statements were carefully prepared and restrained. His addresses commanded respect because of the straightforward presentation of facts and the reflection of intensive study and discussion. A close friend writes: "He liked to hear a good speech, a good sermon—but never attempted to imitate anyone in his own speeches. He loathed cynicism, smartness, pomposity in equal degrees. He admired brains and respected honesty." His comments on the performances of others illustrate the description. Of one minister he wrote, "just a little noisy for my taste," of another, "very fluent and energetic. I don't like his sob stories and sentimental hymns. He plays entirely on the emotions." Dr. Morgan was "brainy and well-trained but cold and egotistical. I did not care a great deal for him." McPhail's correspondence was limited but important. His conversations were numerous and reports of them in the diary and in discussion with those who knew him suggest balance and strength. He had a strong sense of humour which is only rarely evident in the diary but which led many to cherish his remarks. His intense earnestness may have encouraged men to attempt to impose on him, but he had as well a hard agnostic bent of mind which resisted emotionalism and made imposition difficult.

The diary shows his capacities and limitations in sharp relief: As chairman of innumerable meetings he rarely attempted to inject his views in the discussion, but the effects of the repression were

evident in the entries in the diary. The nervous strain of numerous, long, and controversial meetings is evident in his outbursts against large boards. The entries in the diary involve contradictions and it is a definite impression of the editor that a note of exasperation becomes more pronounced after 1928. Castigations of those who annoyed him were reflections on McPhail rather than on those with whom the comments were concerned.

The diary becomes a tragic and poignant document. It is significant in its quality as well as in its content. It reflects the puritanical zeal in the search for the best solution, which commanded the respect of those who knew him and the loyalty of those who worked with him. But while intense concern with his responsibilities enabled him eventually to dominate the enormous complexities of the problems with which he was confronted, the defects of the organization to which he gave his energies exacted his life. To quote a statement from one of his friends: "It was difficult for him to unbend physically or mentally . . . no use for cards in any form, or any time-wasting pastimes except conversation. There was so much work to be done and the work was so absorbing, why deliberately waste time that should be devoted to the work." To illustrate again from his diary. "September 7, 1925. We went out to the races at the Polo grounds after lunch. Big crowd but I was completely disgusted. I would not waste five cents going to races. Only one race every half or three quarters hour." "April 23, 1926. I went to see a prize fight in the evening . . . I don't think I would bother going to see another." He disliked publicity to individuals because it detracted attention from the co-operative movement. He read widely, and particularly biography, in a constant search for the principles of successful government and in an attempt to make up for lost opportunities. The books listed in his reading included Wells, *Outline of History*, Lord Charnwood, *Life of Lincoln*, Chauncey Depew, *My Memories of Eighty Years*, Page, *Life and Letters*, A. G. Gardiner, *Portraits and Portents*; *Tom Jones*, *Foundling*, and *Lorna Doone*. He was passionately fond of some movies and of light music. The intensity of puritanical zeal was evident even in his attention to his physical condition. He had an almost morbid interest in his health probably as a result of the death of his parents from tuberculosis but also because of the conviction that he must keep in the best possible form in order to discharge his heavy responsibilities in the most efficient way. The enormous demands of a democratic organization such as characterized the

Saskatchewan pool combined with his intensity gradually to undermine his physique with the inevitable result.

I have refrained from a description of his personal life. He married his secretary, Miss Marion Baird, early in 1927. She suffered from more or less continuous ill health and died suddenly on December 28, 1936, at the age of thirty-two. One son Kenneth survives.

I am indebted to a large number of people for assistance in the preparation of this volume. Mrs. R. Steele, a sister of McPhail, and his brother Duncan, provided me with material on the family history. I have been under the heaviest obligations to the late L. C. Brouillette who gave me complete access to the files of the organization in Regina, and without this the volume would not have been possible. I must also thank Mr. G. W. Robertson, Mr. R. J. Moffatt, Mr. C. King, Mr. J. Wesson, Mr. R. Milliken, Mr. Brooks Catton, Mr. Buck Evans, and Mr. P. B. Thomson of the Saskatchewan organization for many kindnesses. In Alberta, Mr. Lew Hutchinson and Mr. Purdy have been helpful. Mrs. J. McNaughton, Mr. P. Waldron, Mr. Hull, and Mr. Findlay gave me valuable assistance. Finally I am much indebted to Mr. P. F. Bredt and Mr. W. A. MacLeod. Professor G. E. Britnell of the University of Saskatchewan has read the manuscript and has been a source of strength in handling the innumerable problems it has involved. Professor Clyde Auld and Professor Norman MacKenzie in the University of Toronto have read large sections and made useful comments. Professor C. R. Fay and Miss M. Digby have made valuable suggestions as to arrangement of the material. Miss I. C. Hill took an active interest in the difficult task of preparing the manuscript, and without this its publication must have been delayed indefinitely. I must pay high tribute to the officials of the pool who have given me complete freedom in handling the material. Such confidence is in the best traditions of the demand for frank discussion which is fundamental to the success of the co-operative movement, and I hope that I have not abused it. The account of McPhail's activities should serve as a stimulus to those interested in the movement, and I have been impelled by the necessity of presenting the man as he was, warts and all. With such an example, members of farming communities may be inspired to further effort.

April 9, 1940.

H. A. I.

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"If I were asked to state what in my opinion are the main reasons for the success so far attained by the Canadian wheat pools . . . I would put first, a live intelligent membership, keenly interested in every activity of the organization, and in turn the election from that membership of a governing body of representatives who regard themselves as trusted servants of their brother growers, and who realize the necessity of a well-informed membership and act accordingly. To me that is the very foundation of any co-operative movement among growers, a live, keen, well-informed membership, and I think any co-operative organization should do everything in its power to give all possible information regarding all the activities of the organization to its members."—(A. J. McPhail before the Second International Wheat Pool Conference at Kansas City, 1927.)

"Many decisions in the course of business require prompt action, based in large part on intuition associated with reason: the time and strain, involved in proving to other members of a committee that the best course is not that which appears best at first sight, are very great; and only a man who possesses the rare combination of fine and sensitive insight with a strong and even rugged character, is likely to persist and succeed in his efforts to bring a committee composed of ordinary men round to his point of view."—(Alfred Marshall, *Industry and Trade*, London, 1923, p. 294.)

CHAPTER I

THE PIT FROM WHICH HE WAS DIGGED

ALLEXANDER JAMES McPHAIL was accustomed to remind himself and the members of the organization with which his name was associated that the farmer must ever be kept in mind and that they must never forget the pit from which they were digged. He was a Canadian of Scottish ancestry and belonged to that large number of migrants from the counties of Grey and Bruce to Western Canada.

His grandmother was one of a family of McLeans, four sons and four daughters, who arrived in Canada after a seven weeks' voyage from Mull in 1846 and settled on an uncleared farm in Durham. She kept house for her eldest brother, Malcolm, who became postmaster at Walkerton in 1849, until she was twenty-eight years of age when she married Alexander McPhail and moved to a hundred acre farm bordering on the town line, six miles east of Paisley in Bruce County. Her husband died in 1859 leaving her with an only son, James Alexander, four years of age. She rented the farm and lived with her brother until her son reached his teens when she returned. Since there was no Presbyterian church, they attended the Baptist, and there the son at the age of twenty-eight met and married Elizabeth Menzies, who came at the age of five years as the youngest of a family of five boys and two girls, from Grantown, south of Inverness, Scotland, to the district near Port Elgin. The Menzies family was intensely religious, and two of the boys studied for the ministry under Spurgeon. Elizabeth studied painting, needlework, and music, but never succeeded in overcoming the objections of her parents to a career in medicine in which her friend, Margaret McKellar, the medical missionary, achieved fame in India.

Her disappointment was reflected in the insistent advice to the members of her own large family¹ never to allow themselves to be

¹Alexander James, born December 23, 1883; Duncan, April, 1885; Gladstone, May, 1886; Annie, December, 1888; Hugh, April, 1890; Elizabeth, September, 1892; Herbert Stanley, October, 1894; Euphemia, September, 1896; Malcolm John, October, 1897. Elizabeth realized the ambitions of her mother in securing a medical certificate in Winnipeg.

thwarted in the pursuit of learning and in her determination to provide every advantage for them. They listened to stories read from Grimm and Anderson, from Greek mythology, and from the Bible. Morning prayers were a fixed part of family life. Her husband was a hard-working farmer, an elder in the church, and interested in the problems of local, provincial, and federal government. Debt was avoided by the strictest economy. In 1898 the family, on the advice of Dr. Black of Paisley who hoped to check pulmonary tuberculosis contracted by the father, mortgaged the farm and moved to Western Canada.² The neighbours gathered for a farewell party and Mr. McPhail was presented with a buffalo coat and his mother and his wife each with a fur neck-piece. On January 15, 1930, A. J. McPhail wrote in his diary at North Bay: "At about 9.30 I thought of the time thirty-one years ago when a sick man with a wife and mother and nine children changed trains here about the same time of night going West. Only accommodation colonist cars, and a very cold night."³ They joined John Menzies, a brother of Mrs. McPhail, and settled on the "Elliott Farm," formerly owned and occupied by a remittance man, in the Hazelwood district two miles south of Minnedosa. In 1900 the father died and a year later they moved to a farm in the Cameron school district five miles north of Minnedosa. The mother contracted the disease from which her husband had suffered and died in 1903.

The three oldest sons and the grandmother assumed the charge of her last request that the family would be kept intact and not separated by adoption to relatives. This they did in spite of the demands of the great trek in search for free land. A. J. McPhail, and a friend, Harry Evans, took up adjoining homesteads in the Sandy Lake district near Newdale, Manitoba, in 1904. To fill the residence requirements they built a shack on the dividing line between the homesteads and "batched" in the winter seasons. McPhail sold his land in 1907, shortly after the three years, required to prove up on the homestead, had elapsed, and followed

²"November 26, 1925. I attended a meeting of old Bruce boys and girls in the McCallum building. About thirty-five or forty attended."

³March 17: "Thirty-one years ago this evening we arrived in Winnipeg from the East. My Dad, Mother, Grandmother and nine children, very cold, had come from Toronto in a colonist car, slat seats, and my Father quite sick." McPhail visited his relatives at Durham early in 1926 and early in 1929.



Top row—A. J. McPhail, Anne, Duncan, Gladstone
Middle row—Mrs. J. A. McPhail, J. A. McPhail, Mrs. Alex. McPhail
Bottom row—Elizabeth, Malcolm John, Hugh, Herbert Stanley, Euphemia

his family to Saskatchewan.⁴ Duncan had taken up a homestead, sixteen miles south of Elfros, in 1905, and the grandmother and Gladstone one each in the same region in 1906 when the family moved to the Bank End school district. A thousand dollars in cash above the mortgage was realized from the sale of the old farm in Ontario and supplemented by a legacy of twelve hundred dollars on the death of Malcolm McLean, the postmaster at Walkerton, in 1909, was used to outfit the new homesteads and to educate the family. In the winter of 1908-9 McPhail attended Manitoba Agricultural College. The grandmother succumbed to an attack of apoplexy in 1910 and the last link with Scotland was broken. After her death, the family separated.

Such was the family life of A. J. McPhail. He took the usual work in Ontario at school section number fourteen and passed his entrance examinations. He wrote in his diary of May 24, 1922: "25 years ago to-day I washed sheep and fished in the Beaver Creek on the town line between Bruce and Saugeen." Responsibilities had come to the shoulders of his brothers and himself. In Manitoba, the illness and death of the father precluded further study at school on the part of the three oldest, Duncan, Gladstone, and himself. On the illness and death of the mother, the oldest daughter Annie took over the management of the home. In the Cameron school district, the library was extended, from Spurgeon's sermons and a few of the novels of Scott and Dickens, by the addition of the *Encyclopaedia Britannica*, the works of Shakespeare, and various volumes of fiction. The daily *Manitoba Free Press*, the Montreal *Family Herald and Weekly Star*, and magazines became a part of routine reading. Alex took an active part in debating societies. With removal to Bank End he became interested in a wide variety of subjects including science and especially astronomy. *Les Miserables* made a tremendous impression and he read widely of both Hugo and Dumas. He was excited by the

⁴In 1928 he wrote in the diary: "**February 13.** I left for Minnedosa on the evening train. **14.** I got into Minnedosa at 2.30 A.M. and went to bed. I called on George Grierson in the morning. I had lunch at Grant's. I went to Basswood at 2.15. **15.** I got to Minnedosa at 12 noon and was met at the station by Grant and Harry Evans, we had lunch at Grant's. Brussell and McLeod came in on the 3 P.M. We had a very large meeting at Pearson's Hall at 8 P.M. Had lunch at Grant's again." While in London in 1930 he wrote: "**October 28.** Had note from Alex Jackson that Ewen Brown of Minnedosa is dead. It was a real shock to me. He was one of my oldest and best friends."

writings of Winston Churchill, the American author. Biographies were of absorbing interest—Boswell's *Life of Johnson*, Morley's *Life of Gladstone*, and the biographies of Disraeli, Lincoln, and others. He was a warm admirer of Theodore Roosevelt. He followed American and British politics with the keenest attention and missed few opportunities of hearing Canadian public men. While he extended the boundaries of his own knowledge, he supported the advice of his mother and urged the younger members of his family to acquire an education.⁵

Equipped with an extended training in practical farming, a broad interest in education, and a puritanical zeal for the improvement of farm life, McPhail turned with the break-up of his family to the public service. In the summer of 1913 he was employed by the Weeds and Seeds Branch of the Department of Agriculture in the province of Saskatchewan as a weed inspector. With the outbreak of war in 1914 he took a shipment of horses to Great Britain for the Saskatchewan Government. He enlisted in the 68th Battalion at Regina (regimental number 104,448) on September 11, 1915, but, after unhappy weeks under the discipline imposed by blasphemous instructors loaned by the imperial Government, was discharged with a doctor's certificate. He was gazetted to a commission in the Canadian militia on December 29, 1915, and remained on its strength until the reorganization in October, 1920.

Following his inability to serve with the Canadian Expeditionary Force and with an interest in livestock, he joined the Livestock Branch of the Department of Agriculture under Mr. Bredt, acting livestock commissioner. He became assistant livestock commissioner and as part of his duties proceeded in the spring to

⁵Duncan—farmer, stock dealer, and grain buyer at Bank End. Gladstone—took second year medicine, enlisted, and did not return to continue his course; teaching at Wakaw, Saskatchewan. Annie—Mrs. John Archibald, wife of the minister of United Church, North Vancouver. Hugh—obtained his B.A. before the War; teaching at the agricultural school, Olds, Alberta. Elizabeth—Mrs. R. C. Steele, practising physician—specialist in children's diseases, Winnipeg. Herbert—enlisted at the end of his third year Arts course; discharged with permanent disability from the army, 1916. Euphemia—second-class normal certificate, and after teaching took five-year course in Home Economics at the University of Manitoba; dietician at the Y.W.C.A., Regina. Malcolm John enlisted at seventeen years of age; taken prisoner to Germany; obtained B.S.A. degree at the University of Manitoba; in charge of Federal Experimental Farm at Melfort, Saskatchewan.

purchase pure bred cattle in Eastern Canada⁶ for distribution among the farmers in Saskatchewan. Protests against the nationality of Mr. Bredt during the later stages of the War finally led to his resignation. McPhail resigned in protest with his chief and left the branch on February 9, 1918.

The Touchwood Hills with rolling country, sloughs, and abundance of bush, pasture, and open range, were ideal for the raising of livestock. McPhail's interest in animal husbandry at the Manitoba Agricultural College and in the government service led him to return to his farm at Elfros and in partnership with his brother Duncan he engaged in the livestock business. His diary begins on April 8, 1919, and gives a vivid picture of numerous activities. The district was settled by Scottish half-breeds, French Canadians, Scandinavians, Hungarians, and Anglo-Saxons, and from these he bought cattle and hogs, loaded them in cars, took them to Winnipeg, and sold them in the stock yards. He lived with his aunt, Mrs. Menzies, and day after day travelled about the country purchasing animals, rounding them up for shipment, arranging for their feed, and making the final journey. On May 9 he loaded a car at Elfros at 10 A.M., left at 6.55 P.M., fed and watered the animals at Bredenbury at 11 P.M., arrived in Winnipeg the following afternoon (Saturday) at 3 P.M., and sold them on Monday morning. With a certificate entitling men bringing in livestock to a reduction in the return fare he left Winnipeg on the fifteenth, the day on which the Winnipeg strike began, reaching Elfros the next morning. The same routine was followed and a second shipment of hogs and cattle was ready on June 27. A third shipment was taken on July 22 and a fourth on September 6 on which he "lost a lot of money." Again on October 25, November 28, and December 15 he took shipments to Winnipeg, arriving back from his last trip on December 22. "Mr. Burch told me at the train that one of Dunc's children had died. He was the sweetest little boy I ever knew, and I would like to have known he was sick. 23. I went down to Dunc's on foot. I missed Jimmy awfully. He used to run to meet me when I came to the house."

He not only exported livestock from the district but in the fall of 1919 bought "standard bred" horses at Craven and from Mr. R. Wright near Drinkwater for sale in the district. With the

⁶On August 9, 1930, he revisited Howick, an Ayrshire centre, and "called on Peter McArthur. He was getting ready for the fair circuit."

beginning of the new year he had thirty-six horses and a large number of cattle. Work was continuous in rounding up the horses, buying feed where it could be had, hiring farmers to look after separate bunches, and generally looking after stock. The winter was severe and losses were heavy.

January 1, 1920. Drove to Geo. McDougall's, Martin's, McMartin's, and Sam Webb's in morning. Got home for dinner and drove to Alex McKenzie's after noon. Took Beth [McPhail, a daughter of Duncan McPhail] home. Counted 37 cattle at Alex McKenzie's, 32 yearlings and 5 others if the roan cow is ours. 3. Arthur and I drove into Elfros. Had dinner there and started for home, but met Martin with load of grain and we turned back. He sold the grain to the National elevator for 71 cents. 4. Drove down to Dunc's in afternoon. I went to [section number] 13 from there and helped Martin boys to load two loads of oats out of top of new granary. 6. Hauling sheaves. 7. Drove to Dunc's and we took 2 loads of sheaves home, one 400 and the other 310. I found one of the yearling colts helpless at R. Steele's strawstack on 30. J. Thurgood and I went out and fixed it up for the night. 8. Went down to Dunc's on horseback and fed horses and then looked over 29, 19, and 25 for horses but found none. Came back to 30 and Dunc had made a stoneboat and we took the colt home from Steele's quarter. Spent afternoon with it. Two Galicians came in the evening to look at Dunc's place. 9. Aunt Sophie drove to Dunc's with me and I called at P.O. Then drove to Jim Klomosko and Paul's. To Wilbur Purdy's for dinner. After dinner called at Stanley Sopl's, Harry Poppick's, Moore's, Sam Novak's, Wasil Scalnik's and Dunc's, and got Aunt Sophie. 12. Arthur went into Elfros with Hector Steele, and went to the Convention of Agricultural Societies at Saskatoon [Extension Department, University of Saskatchewan]. I drove to Dunc's and then drove south to look for horses. I found 11 Wright horses at McKay's old house. Couldn't drive them home in the cutter, so I drove to Dunc's and fed my team and went back after dinner for them on horseback. I put them in 13 for the time being and went back to Dunc's. Made out a statement for the bank. 13. I took Beth and Hughie [McPhail] home and went to Lestock. I called at H. G. Sabiston and Tom's, at Ruxton's and Hamilton's. Got into Lestock at 7 k. and stopped at Prince Charlie's [Mitchell].

23. Went up to Geo. McDougall and Martin's in the morning on horseback. They drove down to Dunc's to saw wood. We sawed about half the wood and then Dunc drove to Menzies with me. Bob and Archie McDougall and Billy, Johnnie, and Elsie McBean came in the evening. 24. Drove to Dunc's and then on to Rahms. Phoned Mr. Boston in the morning re meeting in Leross. Found one dead white heifer at Rahms and three others very thin and the six others in poor shape also. Called at Matthews and saw the cattle. They are in much better shape than the ones at Rahms. 25. Went over to Rahms on horseback and took away the 9 remaining cattle. I had to help one yearling get up on its feet when I went over. I had a hard time driving them to Matthews for the cattle

were apparently starved and kept continually going off the road to eat brush and frozen weeds. Two of them played out about half a mile from Rahms and I had to get Norman McKinney to come with the stoneboat and take them to his place. 26. Went down to Dunc's on horseback and fed the horses and fixed hen house door before dinner. After dinner I went to 13 for a load of straw. In the evening we put thin grey mare in the stable. After I got home I called up Geo. Simpson and bought a milk cow from him for \$55.00. 29. Went up to Bellamy's to see if he would go to Matthews to dig a well. Then went to Dunc's. Had dinner and went to 13 for a load of straw. Called at Alex McKenzie's to see cattle. Some of them getting thin. Turned horses out of 13 as they had granary broken open.

February 1. Jack [Thurgood] phoned in the morning to say the grey mare was down in the stable and one of the black colts down outside. I went down and after some time we got colt up, but couldn't get mare up. I came home about 4.30. Sam Webb and family and E. McMartin were here. We drafted resolution re mail route. 2. Went down to Dunc's in morning. The mare seemed all in and I harnessed horses to draw her out and then thought I would leave her until evening. I hitched horse to her in the evening and took the axe in to kill her and then thought I would try her again. I got Arthur Menzies, Bob McDougall, and Hector Steele to come down after supper and after a lot of work we got her up and she stood on her feet. I spent afternoon putting a basket on the rack [for hauling straw]. 3. I left my horse at Dunc's last night and rode home with Art [Menzies]. I had to walk down this morning. Went out and fed horses before dinner and went to 13 for a load of straw after dinner. Called at Alex McKenzie's to see cattle. Jack [Thurgood] and I went for another load of straw at Dunc's when I got home. 4. I fed up everything and went down to Dunc's. We did chores and had an early dinner and Jack and I went to 13 for straw. We took some lumber from 13 and also took two thin heifers from Alex McKenzie's. 5. Went down to Dunc's and did chores. One colt in the stable and one outside were down. We had quite a time getting the one in the stable up. Jack and I went to 13 for straw after dinner. 6. Went down to Dunc's in the morning. Jack took the team to Steele's for some of his stuff. I went out to look for horses. I found them down east of G. Pruden's on 7. Took them up to 30. I went home early and did the chores. Arthur [Menzies], Russell McDougall, and I went to a poverty dance at Ladstock and had a good time.

16. More trouble with cattle. 17. Did chores and went to P.O., calling at Bob's [Leschuk, son of M. Leschuk] on my way home. Jack and I drew two loads of sheaves and put them in north hay corral. 775 sheaves. 18. We drew 2 loads of sheaves and put them at the stable (about 575 sheaves). After dinner I went to 13 for a load of straw. When I got home, all the cattle were in the feed pen. Then one of the black colts got down in the stable. A lovely time. 19. Got black colt up after considerable work. After noon went down to 13 and gathered up oats that chickens were scattering. Got 3 mares on 19 and took them to 13. Grey mare got down in the stable and we had to lift her up. 20. More trouble with cattle. Dance at Ladstock. 21. Did chores and Jack and I went to Ladstock for

the mail. After dinner we built a shed at East end of the stable for the cattle. 23. Went up to Menzies for dinner and put all my effects in my trunk. Took 3 cows down to 30 from Geo. McDougall's. Got a load of straw. 24. After doing chores I went to look for horses and found 8 of them down on the South East of 7. I put them in 13. After dinner I went to 13 for oats. 25. Did chores and went to 13 for a load of oats to crush. Called at Alex McKenzie's to see cattle. Some of them thin. Went to dance at Birch Creek in evening. Called for Bob and Archie McDougall. 26. Stopped at Menzies. Went to bed at 4 A.M. and got up at 8. Went to Geo. McDougall's and helped him fix his engine and load chopper. Started to chop at 4 P.M. 27. Got a load of oats out of Dunc's granary to crush. Geo. McDougall did not get down until noon. I went to Garland's for coal oil. When I got home, Galicians were here to see Dunc's place. I drove them to see 13. They were pleased with 13 and may buy. I asked \$35.00 per acre.

March 1. Spent morning at home doing chores. Went to 13 for a load of wheat straw in afternoon. School opened today. 2. Got load of straw on 30. I ran into the granary and broke the rack. 3. Jack and I got up early and did chores and went up to Menzies to help tag the cattle. We took a load of furniture down to 30 and had dinner. We took the team and sleigh back after dinner and took another down in the evening. The sale [Menzies] went very fair. 4. After chores I went up to Menzies for a load of furniture. Got home for late dinner. One of the colts was down twice today, and I am afraid it is going to cash in. 5. I was going for a load of straw, but thought it was too stormy. 13. Took a load of furniture down to Allenby. Arthur and Dorothy [Menzies] went with me. Got a load of straw in the afternoon. 19. We moved some wood and other effects over to Jack [Thurgood's] house in the morning and put a window in the henhouse. I went to 13 for a load of feed oats in the afternoon. Alex McKenzie's horses were in 13. 20. Got home about 4 K. and Jack and I went out and got a load of oat straw. 21. Spent morning at home and went to McIntosh's [close friends of the McPhails] in the afternoon. I didn't get home until 10 K. Had a very interesting time. 24. I went to the P.O. in the morning and Jack went to Steele's for some lumber. After dinner I went out and got the horses on 29 and got a load of straw on 30. 25. Went to Elfros. I found the grey mare out in the cow pasture. She had been on 30. Spent all morning looking after the horses. Afternoon I went to 13 for a load of straw. Bellamy was here for dinner. Saw the first crows today. Dunc came to Elfros today. 26. I went to Geo. McDougall's in the morning for a calf. 27. I moved Jack over to their own house and went to 13 for a load of hay. Arthur went with me in the afternoon for a load of straw.

April 2. I don't know what we are going to do for feed if this weather continues. Everyone in the country is almost out of feed and some are already out. I got a load of old wheat straw from 13. 5. I got a load of straw and a load of hay from 13. Cattle getting thinner every day. 10. I took two heifers home from old Mike [Leschuk's], and looked for the horses but didn't find them. I went for a load of straw in afternoon. 14. Dunc went out to Spence's on Maud. I went to Ferguson to see yearling heifer.

I saw four dead cows. Went for straw in the afternoon. Only about 4 loads more. 15. The police stopped at Spence's last night. He is trying to find out who took Spence's straw. I did chores and looked for the horses. I took the cattle up to the Thorpe place this morning. 19. First ducks today. I went down to Matthews and got a load of chop. Work will not be general on the land for some time. 24. Jack Thurgood went for mail. I went after the cattle and took them home. It rained most of the day. Turned to sleet and snow in the evening. Rotten on cattle. 25. I found grey mare down on Thorpe place. We took her home on stoneboat but she died. The other grey mare that has been in the stable all winter will likely die tonight. Having a bad time with horses and cattle. 26. Runaway with horse. Sick cattle. Cow died. 30. Dunc went to Elfros to pay Spence. I moved a lot of oats from south bin. 10 or 15 bu. spoiled with heating. Having a hell of a time with horses and cattle.

May 3. Dirty day. Snowing most of the day. We had to take Pruden cow home on the stoneboat. Spence was here after dinner getting his income tax form filled out. Dunc went for load of hay in the evening and I skinned a cow. 4. Dunc went to P.O. in morning and J. Thurgood and I looked for horses and cattle on foot. In afternoon I skinned heifer and then went down to 19 and gathered up cattle. 5. I looked for horses and cattle on 19, 30, and 25. After dinner I went south to look for horses. I went as far as Halvorson's, but found no trace of them. 6. Dunc went to look for horses. I rounded up some cattle in the morning. I drew out a dead cow, calf, and horse in the morning and found another dead cow in the evening out in the field. I went to 13 for a load of hay after dinner. Turned some oats at 13 and got a box of chop. 7. Pruden cow was dead this morning. I skinned her in the morning. I went down to McKenzie's in the afternoon to look for the cattle. 10. I looked for cattle in morning. Got 4 head up at Harry Holmes. J. Thurgood went to McDougall's for rhubarb. In afternoon I went down across 19, 17, 8, and 7, looking for horses, but saw none. Met Jack Garland looking for his. I went to see Bray re renting 13. He didn't know, but is to let me know. 11. I went to P.O. in morning, and sent away Gladdie's [McPhail] age certificate. In afternoon I went to Matthews for cattle. There were 25 left. We have lost 15 cattle and 10 horses to date. 12. Dunc came home in the evening. He found the horses near Cupar. 13. Spent morning fixing pasture gates. In afternoon we had to move some more oats from granary as they were heating. No sign of rain. 14. I took two loads of hay home. 16. In saddle all morning looking up cattle and colt. Found heifer in weak condition. 17. In morning I did chores. Found heifer dead. In afternoon I went to 13 for hay and then went back on horseback and put tar-paper roof on granary. Dairy started work on 13 this afternoon. After supper I put in a few potatoes. 23. Spent all day at home trying to make up my income tax form. 26. I got a load of chop and did nothing else but the chores. 27. I went west and got ten cattle and put them on 19. Then went down to 13 to see how the oats are. After dinner went up and cut 100 willow posts on 31. 28. Dunc went south to look for horses. I worked around in morning. Jack Thurgood and I cut 225 willow posts in the afternoon. After supper, Jack Thurgood and I went south on 19 to look for cow that

was stuck in a slough but she had got out herself. 29. I took 2 loads of willow posts home in forenoon and took bottom wire off pasture in afternoon. 30. Spent day at home. McIntosh's came in afternoon and stayed for supper. All went to church in evening. 31. I got all the remaining chop in the granary and took it home.

June 2. I plowed in the forenoon and afternoon until 3 p.m. when I broke the lift on the plow and had to quit. I went to 13 to see the oats. They were heating some. I went out west as far as Simpson's looking for cattle, but didn't find them. When I got home, Free was here with my car. I helped Jack take the Brennan cow home. 3. Drove posts all afternoon. 5. Worked on fence. 7. Dunc and I spent all morning at fence on 29. In afternoon I went to Elfros. I bought a white heifer from John Cross. Got repair for plough. 8. Plowing. 9. Do. 10. Cattle dealing. 11 and 12. Trip to Minnedosa with cattle. 15. Also to Winnipeg, and back home. 17. I turned horses and cattle out of 30 as they were spoiling the hay. Went down to 13 to see oats. There were some cattle on the crop. The fence was down on the South East corner. In the afternoon I chored around. Took down lumber shed. 18. The gate was down in the pasture this morning and the Montana horses gone. Jack Thurgood and I went away in the car and spent all day looking for them. We looked over 19, 7, and 8 and then went west, calling at Gordon Pruden's, McRae's, and Lestock for dinner. After dinner we went south as far as 4 miles south of Rodgers. Came back to Lestock for dinner and came home by Leross. The horses were in the pasture when we got home. 23. Went to town in the morning with waggon hubs and Jack's sleigh to fix. Went out and called on Reynolds and Alex Hunter. Got back to town and had to fix one of the front wheels on my car. Came home and took Nicol to Ladstock. We got stuck coming home and left the car at the South East corner of 30 in a mud hole. 25. Dunc went to Lestock. I cleaned out some of the hen-house and then went to a picnic at Gilbert. Called at McIntosh's on my way home. 26. I went to 13 to see the oats in the morning and to Ladstock for the mail. At noon I started for the plowing match and called for McIntosh's. Spent the afternoon at the plowing match. 27. Milo Rockwell and Fidler came in the morning and were here awhile. Took Thurgoods and Rev. McCullough to church at Ladstock. Went down to Bob Russell's in the evening. Grain Growers' Sunday. 28. Went to Elfros in the morning and got waggon hubs. Fred Deserly took up the 7 horses that were lost. I drove Dunc to Campbell's, where his car was stalled. I loaded a waggon of oats to go to Elfros in the morning. Took the horses to 29. 29. I went to Elfros with a load of oats. Had 102 bu. on and got 1.08½ cents. 30. Went to Elfros again with a load of oats. Had on 100 bu. and got 1.14 cents.

July 1. I went for a load of feed oats to 13 in the morning and unloaded it and cut hay in the afternoon. 2. I went up to Foster's on Alex Folster's place and up to Dairy's in the morning and raked the hay. Took in a load and loaded up a load of oats in the afternoon. 3. I went to Elfros with a load of oats. Fidler was in with 2 loads. I got \$1.01. Herbie [McPhail, a brother] was here when I got home. 5. I took in two loads of hay in the forenoon. 6 and 7. Plowing. Dance in the evening.

10. Plowed in the morning and broke my doubletree. Went to P.O. and after dinner went to Leross and got a new doubletree and shares sharpened. Came home by Lestock and Meeks. Herb went out to Westmoor picnic with me. 11. Spent morning at home. Went to Ladstock to church in afternoon and over to Cossar's in evening to meet Paul Bredt. 12. Spent most of day at home talking with P.F.B. We went to Lestock in the evening. 13. I took the 3.39 train for Regina where I spent the day. Met J. Clark, Miss Kennedy, J. G. Robertson, Frank Green, and N.W. [members of Livestock Branch during McPhail's period in that organization]. Took 8.30 train home. 14. Arrived in Lestock in morning. Got home in time for debate on Married Life and Single at Ladstock in the evening. 15. Old Mack phoned me in the morning that Mrs. McDougall was dead. I went to Ladstock to see Mr. Fudge re service and went to the school [Bank End] to see Miss Hooper to have her announce it to the children. I plowed in the afternoon and went up to Nordall's in evening and afterwards helped to dig Mrs. McDougall's grave. 16. I plowed in the forenoon and went to Mrs. McDougall's funeral in the afternoon. I went out again at 6 o'clock and plowed until dark. 21. I plowed all day. 17 was hailed out and Alex McKenzie 13 and I suppose Bob Russell and McIntosh. I went down to Ladstock in the evening but there was no meeting. 23. Tommy Matthews plowed in the afternoon and I cleaned the henhouse and looked over the horses on 29. 24. Herb and I went to Elfros in the morning. I got new shares and gasoline. I painted my car in the evening. 25. Spent day at home. Took Thurgoods and Nicol to church at Birch Creek. 27. I ploughed all forenoon and went to Elfros fair in the afternoon. 28. I ploughed in the forenoon and went to Allenby picnic in the afternoon. Geo. Edwards was there and addressed the crowd. 30. Ploughed in the forenoon. Went to Elfros in the afternoon. I corralled 3 cows and calves and went to Ladstock to appoint delegates to Nokomis [Progressive] convention.

August 2. Alex Folster came about 10 κ. and cut wild oats in the afternoon. I called at Garland's and Bill Johnson's and then went north. Met Tom Gray on the road and paid him \$12.00 for wintering heifer. I had a blow-out near Mount Hecla school. Bill Arnall caught up to me and gave me a tube and tire. I punctured them after going 2 miles. Went into Elfros 14 miles on the rim. 3. Fixed fence and turned oats at 13 and went to P.O. making several calls. *up to 6.* Cattle dealing. 7. Went out to Craven. 8. I got up at 6 κ., had breakfast, and started for home, arriving home at 2 κ. I went to Ladstock to church. In the evening Charlie Ferguson, Nicol, Herbie, and I went to Birch Creek to church. 9. I drove to Elfros in the morning and remained there until afternoon when I drove up north-west of Mozart to Campbell's. C. has about 15 cattle to sell. *up to 13.* Cattle dealing. Went to Parker's [M.L.A. in Saskatchewan] meeting at Ladstock. Small attendance. 18. do. We had a debate on Prohibition in Ladstock in the evening. 21. Loaded cattle and started for Winnipeg. 22. Arrived in 'Peg about 12 κ. Had dinner and I went up with Bob Thompson. Afterwards we walked around the city. Went to Grace Church in the evening. 25. Arrived home and figured up accounts. Herb, Nicol, and I went to Ladstock Hall. Mr. Holmerson gave an address. 27. Spent forenoon stacking green oats with Herbie.

September 1. I drove down to Ladstock and called at the store. After dinner went to Elfros to District meeting of Masons. Had a good time. I proposed toast to Canada. **2.** Cattle dealing. *do. to Sept. 16.* **17.** Alex Folster went to McDougall's to help with the threshing. I spent day fixing binder. **18.** I spent day knocking plaster off inside the house and putting on paper. **20.** Started to cut oats in the morning and broke the pitman rod and had to go to Elfros to get it welded. Got home at 1.30 and cut all afternoon. **21.** Cut oats all day. Binder worked very poorly for a long while. I drove Alex Folster home in the evening. **22.** I drove to Paul Klomosko's in the morning and called at Arnall's and Bill Johnson's. Paul was not at home. I finished cutting oats in the afternoon. Jack Thurgood stooked. Phemia, Jack Thurgood, and I went to Elfros in the evening for tar paper for Jack. **23.** Rode around to see cattle and horses and took up some potatoes. **24.** I started for Paul Klomosko's but my car was not working and I just got as far as Arnall's where I had dinner. Went to dance at Ladstock in the evening.

October 7. I was going to drive from Renown to Watrous, but there was no bus, and I went on to Young. I got the liveryman up and he drove me to Watrous 18 miles to catch the mixed going east. We missed it and I returned to Young, where I took the 12.55 for Elfros. I got a ride out from Elfros with McDougall's where I had supper. Old Mac lent me his car and I went to the dance at Ladstock. **8.** Put up fence. **12.** Alex Folster and I stacked oat sheaves. Took in 8 loads when it started to rain. **13.** I went to Elfros in the morning. Alex Folster went with me as far as Farrell's to take stable apart. **15.** More stacking and cattle dealing. **25.** Trip to Winnipeg re stock. I went to Stock Yards in the morning and as there was nothing doing until Tuesday, I went down town. I went out to the M.A.C. and had supper there. Today was sports day at the M.A.C. Hugh [McPhail] was individual champion and John [McPhail] 3rd. **28.** Got into Elfros at noon. Met Tom Guild. Made up statements and mailed them to different parties whose cattle I had down to Winnipeg. **29.** Went to Ladstock and got gas and oil. Went to 13 and up to McDougall's and had dinner. Went up to Dairy's and called at Geo. McDougall's. Went to McKenzie's and then up to Kunkewitch's.

November 5. I put in manger and stall in stable and rounded up cattle. Went to Lestock in afternoon, calling at Hamilton's on my way to get gas. I ran out of gas about a mile out of Lestock and had to go for my car after supper. Alex McRobbie drove me back. **6.** Spent all day sorting and loading cattle. Helped White [at Lestock] most of day. **14.** [After trip to Winnipeg] I arrived in Lestock at 6.30 and went to bed at Charlie's [Mitchell] for a couple of hours. I spent until 3 κ. making out accounts and cheques. I then drove north. J. Benson accompanied me. We called at J. Cossar's and had supper at Hamilton's. I got home at 9 κ. **16.** I watered cattle and went to the P.O. Alex went for a load of wood. After dinner I went down to 13 and helped Alex put on a load of wood and then went to McDougall's and stayed with him. His son Archie is away to Winnipeg. **18.** I came down from McDougall's in the morning and watered the cattle. Alex Folster went to 13 for a load of sheaves. G. Pruden and Hooten came about 11 κ. looking for cattle. After dinner Alex

went to 13 for a load of wood. Jack Thurgood and I cut green wood on 19. Alex went to McDougall's in the evening and I remained at home alone. 19. Wood cutting. 21. I came down from McDougall's about 10 κ. Alex had just taken a load of hay to the cattle. Alex went home. I stayed at home all afternoon and helped C. Ferguson put his cattle in the corral. Galician from 26 was here for dinner. I went to McDougall's in the evening. 22. Jack and I got two loads of dry and one load of green wood off 19. Jack and Albert Snook were here in the evening to see about the cattle shipment. 24. I spent all morning drawing up water for the cattle at Thurgood's. I took the well down 12 ft. Dunc and I went to Lestock in the evening. We saw the banker in the evening and went over accounts.

December 1. Pulled up water for the cattle all morning. Dunc went out looking for the horses. I went into Elfros in the evening and got a new spring for the car off the train. 2. Spent all forenoon fixing my car. Arthur [Menzijs] and I came out in the afternoon. Jack Thurgood, Arthur, and I worked at a pump I had brought out, putting it in the well. Worked until dark. 4. I went to P.O. in the morning. Jack Thurgood went with me. We looked over 33 for the horses, but found no trace of them. I went for a jag of hay in the afternoon and gave the cattle some sheaves. The pump works well. 5. Hunting for horses. 6. Nomination Day. Sam Webb was returned Reeve by acclamation. 11. I went to Geo. Scott's for a load of straw. It is a long road to draw straw. In the evening Lizzie and I walked to McIntosh's and spent the evening. 12. I fixed up the fence around the new stable in the morning. I gave the cattle sheaves and watered them. 13. I went to Geo. Scott's for straw in the morning, and in the evening got a load of hay on 30. 16. Went down to Bill Russell's and McIntosh's in the morning. It was snowing and stormy. I went to Lestock in the afternoon and called at McIntosh's and Hamilton's on my way. I bought 3,000 oat sheaves from McIntosh's at 5 cents. Talked all evening to Charlie Haile. 20. I spent the morning in Lestock. Spoke to Chas. Haile about United Grain Growers. Called on Hamiltons on my way home. 21. I drove Jess and the colts out of 30 and went down to Bob Leschuk's [son of Mike]. In the afternoon I went west looking for horses. Stopped at McDougall's for supper. Had a letter from Edwards with minutes of last meeting. Also one from Hugh McLean and Tom Guild. 22. I got Bell and 8 yearling colts in from 25 and fed the bunch. In the afternoon I looked over 29, 32, and 25 for Jess and colts. Called at Ferguson's. 23. Birthday. 37. I gathered up horses and fed them. Fixed stable and watered cattle. Gib [Matthews] and I got a couple of jags of wood in the afternoon off 19. 24. I went down in the morning to a Galician's on the S.E. of 7-29-13, to buy sleigh, but he wanted too much—\$40 for a 7-year old sleigh. Came home and watered cattle and fed horses. 25. Gib fed the cattle hay and went home on Maud. About 2 κ. Jack Thurgood and I went to McIntosh's for Xmas dinner. We spent the day there until 11 κ. 27. Tommy [Matthews] went for straw and after I did the chores I started for Lestock. I called at McIntosh's and paid Fred [McIntosh] \$150.00 for 3,000 sheaves. I got Fred's trailer to load the sleighs in. I got to Lestock and bought a second set of sleighs from Seth Clotten for \$25.00. On my way home, I called at Hamilton's.

I left there for home about 10 K., but when I got out to the gate the attachment fastening the trailer to the car broke and I had to stay at Hamilton's. 28. Andy Hamilton made new clamps for the trailer and I got started for home near noon. 29. I did chores and then took a round on horseback looking for horses. I called at Spence's and went down by Scott's, but saw no horses. Heard at Spence's about Alex Folster being dead. In the afternoon I helped Fred McIntosh kill a cow. 30. Gib went early for straw. I did chores and went to Garland's for supplies. Gib took the sleighs for straw for the first time. We got a load of wood off 19 in the afternoon.

January 1, 1921. New Year's Day. Gib went for straw. I went out looking for horses but found none. I went over 25, 35, 3, 11, 1, 6, and 31. In the afternoon got in one of the horses and took her for sheaves to 13. Charlie Ferguson came down to get his hair cut. 2. Did chores. Gib went for straw. We trimmed the horses' feet in the afternoon. 3. Got sleighs fixed. 4 and 5. Drew wood. 6. I did chores in the morning and Gib went for straw. I got a wire at noon from John to say that Hugh [McPhail] was dangerously ill. Gib drove me into Elfros in the afternoon to catch the train for Winnipeg. Met Bob Steele in Elfros.

His long experience with farming conditions in Ontario, Manitoba, and Saskatchewan gave him a wide knowledge of farm life. As a buyer of livestock he was familiar with the settlers of the Elfros district and had a thorough acquaintance of the farming operations and of the peculiarities of the numerous individuals with whom he had business dealings. No occupation could have given him a more adequate training in handling men. It was significant that his acquaintance with wheat raising was limited. There were long discussions with neighbours of similar tastes, Hamiltons, McIntoshs, and others. Masonic lodge meetings, church, and debates increased his knowledge of the community and gave him a preparation for the work to come. In 1919 he was reading *Henry Esmond*, *A Crown of Wild Olives*, and *War and Peace*, and in the following year *Told in the Hills*, *Westward Ho*, *Sowing Seeds in Danny* (McClung), *Six Great Men* (Wells). On July 22, 1922: "Gave Jimmy Hamilton the *Brass Cheque*" and August 31 "I called at McIntosh's in the morning with the *Brass Cheque* by Sinclair." With frequent visits to Winnipeg he came in touch with those interested in agricultural problems. His intimate knowledge of the district and the support of a wide circle of friends were the foundation of his strength in farmers' organizations. The Saskatchewan pool had its roots deep in community life.

CHAPTER II

REVOLT ON THE PRAIRIES

THE protest of farmers against high rates of interest, high costs of transportation, high prices of manufactured goods and low prices of farm products, has supported a succession of waves of organization, legislation, and adjustment throughout the history of agriculture in North America. The westward movement¹ to the new frontier was in itself a result of the despair of farmers and their hopes for improvement. The Rebellion of 1837 was in part supported by farmers opposed to the effects of high costs of transportation, high prices of land, and high interest rates. After Confederation the grange movement in the United States found fertile soil in Canada and led to the establishment of the Dominion grange in 1874. In turn the Patrons of Industry² migrated from Michigan to Ontario in 1887 and flourished in Manitoba in the nineties. Protests from settlers³ were a factor in the Riel Rebellion of 1885. Agitation against the monopoly clause of the Canadian Pacific Railway was followed by its abolition in 1888, and against high rates by the Crowsnest Pass Agreement of 1897. An agreement between the Canadian Northern Railway and the Manitoba Government lowered the freight rate on grain to ten cents a bushel between Winnipeg and Port Arthur. The Board of Railway Commissioners was organized in 1903 for the consideration of railway rate disputes. A Royal Commission was appointed in 1899 to investigate grievances of Western farmers and legislation was passed in the Manitoba Grain Act of 1900 which introduced regulations for the control of railways and elevators. Formation of the North-West Elevators' Association on the part of the grain trade and continued difficulties in obtaining cars for wheat shipments led to the formation of the Territorial Grain Growers' Association in 1901, to further amendments, and to the Sinaluta test case in 1902 compelling the railways to abide by the legislation. In the following year the

¹See F. Turner, *The Frontier in American History* (New York, 1920).

²L. A. Wood, *A History of Farmers' Movements in Canada* (Toronto, 1924).

³G. F. G. Stanley, *The Birth of Western Canada: A History of the Riel Rebellions* (London, 1936); A. S. Morton, *History of Prairie Settlement* (Toronto, 1938), p. 23; W. T. Easterbrook, *Farm Credit in Canada* (Toronto, 1938).

Manitoba Grain Growers' Association was formed and further legislation was introduced protecting farmers shipping grain. With the formation of the provinces of Saskatchewan and Alberta, the Saskatchewan Grain Growers' Association, and the Farmers' Association of Alberta were formed in 1905, the latter amalgamating with the American Society of Equity in the United Farmers of Alberta in 1908. An interprovincial council formed in 1907 supported the struggle against the grain trade. The Grain Growers' Grain Company⁴ was formed in 1907, through the energy of Mr. E. A. Partridge of Sintaluta, and after a bitter struggle with the Grain Exchange, was admitted to membership, on condition that the patronage system of distribution was abandoned. Mr. T. A. Crerar became General Manager.

With the establishment of the Grain Growers' Grain Company, farmers agitated for public ownership of elevators, and after a short unfortunate experience the Manitoba Government leased its elevators to the Grain Growers' Grain Company in 1912. The Saskatchewan Grain Growers' Association pressed for similar legislation. A Royal Commission composed of Dr. R. Magill, Mr. F. W. Green, and the Hon. G. Langley recommended that a company be formed on a co-operative basis which would avoid the difficulties of Manitoba. The Saskatchewan Co-operative Elevators Act was passed in 1911 and under it the Saskatchewan Co-operative Elevator Company was formed. The Act provided for the construction of elevators with the support of locals and the Government. In 1911 the company had 46 elevators; in 1912, 137; and in 1914, 215. Alberta followed with an Act in 1913; in its first year of operation acquired 52 elevators, and in 1916 had 103 elevators. A terminal was leased by the Grain Growers' Grain Company in 1911 at Fort William and the Canada Grain Act of 1912⁵ facilitated entrance of farmers' organizations in the terminal elevator field. In 1917 the Grain Growers' Grain Company and the Alberta Co-operative Elevator Company were amalgamated in the United Grain Growers. The Saskatchewan Co-operative Elevator Company continued as an independent organization, built a terminal elevator at Port Arthur, and established a subsidiary export organization.

The period of the Great War brought high prices of wheat and

⁴Hopkins Moorhouse, *Deep Furrows* (Toronto, 1912).

⁵See T. D. Hammett, *Marketing Canadian Wheat* (United States Department of Commerce, Trade Information Bulletin, no. 251, Aug. 11, 1924).

centralized control of marketing first in 1917 and 1918 under the Board of Grain Supervisors, and second in 1919 under the Canadian Wheat Board⁶ created by Order-in-Council, July 31, 1919, with Mr. James Stewart, President of the Wheat Export Company, chairman; Mr. F. W. Riddell, General Manager of the Saskatchewan Co-operative Elevator Company, vice-chairman, and eight other members including Mr. H. W. Wood. In 1917 the basic price was fixed at \$2.21 (No. 1 Northern, Fort William) and in 1919 the price reached \$2.63. Disappearance of the Board coincided with a decline in the price of wheat from \$2.78 in September, 1920, to \$1.76 in April, 1921, and \$1.11 in November, 1921.

The substantial profits made through terminal operations during the Great War and the high prices of the Wheat Board followed by the sharp decline after its disappearance turned the attention of the farmer to the old problem of patronage dividends in both the Manitoba Grain Growers' Association and the Saskatchewan Grain Growers' Association and to the possibilities of centralized marketing. The solution of the problem involved an attack on several fronts. The growth of powerful farmers' organizations supported an important political movement against the tariff. The Canadian Council of Agriculture was formed in 1910 and prepared the "siege" of Ottawa with demands for a lower tariff which led to the Reciprocity Treaty.⁷ The defeat of Laurier in 1911 had far-reaching repercussions on Canadian political life. Opinion in the West was mobilized through reorganization of the Canadian Council of Agriculture in 1916 with a permanent secretary, Mr. Roderick McKenzie, and a solid financial basis in the support of the prosperous farmers' organizations. It announced a Farmers' Platform on December 6, 1916, which was endorsed by farmers' conventions in 1917, and a revision written largely by Mr. Norman Lambert (secretary in 1918), known as the New National Policy on November 26, 1918. Mr. T. A. Crerar of the United Grain Growers became Minister of Agriculture in the Union Government in 1917 but he resigned in protest against the high tariff of the White Budget on June 4, 1919, and with his fol-

⁶See H. Patton, *Grain Growers' Cooperation in Western Canada* (Cambridge, Mass., 1928), chap. XIII; and *The Canadian Wheat Board: Chairman's Report, Orders-in-Council and Board's Regulations* (Winnipeg, 1919-21).

⁷See L. A. Wood, *A History of Farmers' Movements in Canada* (Toronto, 1924), chap. XXVIII; Norman P. Lambert, "The Past, Present and Future of the Canadian Council of Agriculture" (*Winnipeg Free Press*); L. E. Ellis, *Reciprocity, 1911* (New Haven, 1939).

lowers from the West moved to the cross benches. Encouraged by the decisive defeat of the Hon. W. R. Motherwell, Liberal candidate, in a bye-election in Assiniboia on October 27, 1919, they formed a Progressive party on March 3, 1920, with a total of eleven members—eight from the Prairie Provinces.

Advance of farmers' organizations in the federal field was supported by success in the provinces, partly as a protest against conscription. They were successful on October 20, 1919, in Ontario. Free of burdens involved in the handling of elevators especially after the agreement with the United Grain Growers, and with the encouragement of Mr. H. W. Wood, the United Farmers of Alberta decided in favour of political action in a convention at Calgary in January, 1919. A political association was formed on July 25, 1919, but the enthusiastic support by the U.F.A. convention of 1920, of "the policy of group economic class organization as the only sound basis upon which to build a democratic form of political action" which had been outlined by Mr. Wood notably in a speech of October 21, 1919, led to the collapse of the association.

THE POLITICAL WHEEL

With McPhail's return to Elfros and his difficulties with the livestock business, he took the keenest interest in these political developments. His business brought him in direct touch with the manifold activities of his district and of Winnipeg. His resignation from the service gave added zeal to his interest in protests against the Government. He was studying Porritt, *Sixty Years of Protection in Canada*;⁸ Post, *Taxation of Land Value*; George, *Progress and Poverty*; Cushing's *Manual*; Hawkes, *The Birthright*,⁹ in which the farmers' remonstrance to the House of Commons on May 14, 1919, was printed as an appendix. Mr. J. T. Hull of Winnipeg directed his attention to Follett, *The New State*. The death of Laurier on February 17, 1919, the break of Crerar with the Union Government, and the drive of the *Grain Growers' Guide* under the leadership of Mr. Chipman and others, particularly in the interests of lower tariffs

⁸This volume was widely distributed presumably by the Canadian Council of Agriculture.

⁹"Canadians must be Canadians and loyal to Canada first and last. The people through Parliament must be supreme. Use foreign-born Canadians like human beings and encourage them to be Canadian" (quotation in McPhail's diary from *The Birthright*).

and lower freight rates, were factors which led to his active participation in the political field.

His diary registers his interest in political organization. On **June 20, 1919**, "D. McRae, B. Hamilton and I drove to Nokomis. Spent day there at the Progressive party convention. Was elected to executive for constituency." He became secretary of the organization for Last Mountain Riding. On **August 1**, he attended an "executive meeting at Wascana Hotel" in Regina, "after the meeting went to the Farmers' Building and spent afternoon drafting a resolution re political action." On **August 5** his friend, Mr. R. Nicol at Elfros apparently sensed his possible contributions to the farmers' movement and advised him "strongly not to accept offer of position with Dominion Government." Three days later he noted "Mackenzie King named Liberal leader." On **September 17** at Regina he "spent day at convention of constituency executive. Had a very strenuous time but also very gratifying" and on **September 18**, "Spent day again at convention at which provincial organization was completed." The Progressives had succeeded in forming an organization with representatives from each of the sixteen federal seats of the province in preparation for the next federal election.

McPhail was increasingly concerned with his own district. As early as July 26, he held an organization meeting at Gilbert school. On **September 25**, he spent the day at Nokomis "organizing the work of the constituency. Was offered the job of organizer at 150 and expenses." On **September 27**, he "had a good meeting at Allenby school in evening." **October 4**, "I prevailed on Richmond to accept appointment as municipal representative on constituency board," and on the following day, "after dinner I drove to Ira O'Dell's where I spent a couple of hours talking over the political situation." **October 11**, "after supper Jack Pratt and I went to a meeting at Ladstock held re political organization." **October 21**, "Stayed in Elfros to get paper. Ontario farmers had large victory at the polls." **October 24**, "after dinner drove to Honeybank school for meeting. Mike [interpreter] went out with me. Only about a dozen there." **October 25**, "very cold evening and I cancelled meeting at Creswell." **October 26**, "I went down to Jack Claves to see him about canvass for farmers' platform. After supper went down to Rockwell's. Gave Milo papers re drive." On **October 29** he went to Nokomis. "Met Richmond and Sweatman on train. Met Edwards, Misenheimer, and Woods on arriving. Spent morning

around hotel and afternoon at committee meeting." On **January 13, 1920**, he "called to see Mr. Allen re canvassing Lestock." **January 14**, "Stuart Bryant came in [to Punnichy] in the evening and we talked over political organization." **January 16**, "Mr. Allen and I went around canvassing some of the people for political funds. Had very good success." On **January 22**, he "appointed Bob McDougall canvasser." **March 26**, "In the afternoon I went to Ladstock to a political meeting. Only a few out. Mr. Garland, J. Gray, J. Pratt, Warnall, J. Clave, and Robt. Russell were appointed a committee for this polling sub-division." **July 3**, "We went down to Gilbert school to a political meeting. It was a fairly good meeting." On **July 13** he attended "meeting of the executive in afternoon" at Regina and the following day at Kelliher fair he "met a lot of people re Nokomis convention," and on **August 6**, "We had a good turn-out at the convention." He attended meetings in the afternoon and evening of October 6 at Nokomis. He went to Nokomis and Regina on November 25 and again on December 18 when he "called up Fansher on phone."

The decision not to continue the Wheat Board for the crop of 1920 and the decline in price provided a stimulus to political protest. On June 27, 1921, Robert Gardiner was elected in a federal by-election in Medicine Hat and in July, 1921, the U.F.A. captured the government of Alberta. At a constituency committee meeting in Regina on September 14, it was decided to hold the nominating¹⁰ convention on October 14. At the convention meeting McPhail withdrew his name from the nomination but in the ten minutes permitted to each candidate he presented a further appeal for campaign funds and organization. Mr. J. F. Johnston was chosen as Progressive nominee, and elected on December 6 by a majority of 9,471. The Prairie Provinces returned thirty-nine Progressive members. There is evidence that McPhail was disappointed at not receiving the nomination, but he was destined to learn early that even the devices elaborated to protect the Progressive party were far from adequate against the devious ways of politicians. But if his rigid integrity was to bar his entrance to politics it was to prove the open sesame to his contributions in economic organization. Unfortunately his experience with political organization led him to support the adoption of the political unit as suited in size to an economic organization. His belief in the inefficiencies of political institutions

¹⁰See Appendix 1, pp. 59-61.

as a reflection of democracy probably enhanced the importance he attached to such democratic safeguards as annual elections.

EDUCATION

His interest in political activity coincided with his interest in the farmers' organizations, and after the success of the elections he became increasingly concerned with the problems of the Saskatchewan Grain Growers' Association. The interest shifted from the federal to the provincial field and from political to economic organization. **May 17, 1919**, "called for R. McDougall and G. Pruden on way to grain growers' meeting in Allenby school. Had good meeting." **June 7**, "went to grain growers' meeting at Birch Creek," and a week later, "I went up to Honeybank school and with Sam Webb organized a grain growers' association among the Galicians; fifty-five attended and thirty-nine paid up membership. Good meeting." The following day, "all went down to Bank End Church in evening. Grain Growers' Sunday." He went to a grain growers' meeting at Ladstock on July 5 and at Round Plains July 19. **January 17, 1920**, at Punnichy, "I addressed the grain growers. Quite a number were out," and a week later, "drove to Leross and addressed the grain growers' meeting. About twenty-five were present. A good meeting. 40 below." On **January 31**, "Was supposed to go to Lestock to grain growers' meeting but roads too bad and my horses have cold."

He attended the convention of the Saskatchewan Grain Growers' Association at Saskatoon. On **February 9**,

Drove to Elfros. Bob McDougall, Hector Steele, D. Stephenson, and I went up on the train to Saskatoon. We registered at the Flanagan. Hector and I went to the Empire in the evening. **10**. I attended the trading convention¹¹ most of the day. **11**. The convention opened at 10 A.M. with the usual ceremonies. Miss McCallum¹² [now Mrs. Sutherland] gave a splendid address in the evening. Musselman, Orchard, and Edwards also addressed the convention. **12**. Had a very hot time today discussing the question of entering provincial politics. Spent evening in consultation over organization work. **13**. Had another warm time over political action. Committee appointed yesterday to draft a platform resigned and it was left in the hands

¹¹The crop failure of 1918 and cancellation of binder twine orders had necessitated a heavy bank loan. See C. R. Fay, "Agricultural Cooperation in the Canadian West" (*Annals of the American Academy of Political and Social Sciences*, May, 1923).

¹²Mrs. Sutherland was a member of the National Employment Commission of 1936.

of the G.G. executive. Spent the evening talking with Fansher, and Emmons, and later with Edwards.

On March 13 he gave a report to the grain growers' meeting at Ladstock.

In April, 1921, Mr. Maharg, President of the S.G.G.A., resigned his seat in the House of Commons and became Minister of Agriculture¹³ in the Saskatchewan Government, but as a result of an attack by Premier Martin on the Canadian Council of Agriculture and of Martin's support of the Hon. W. R. Motherwell, who ran as the Liberal candidate in the election of that year, Maharg resigned from the Cabinet on December 5, the day before the federal election. At the convention of the S.G.G.A. in 1922, Mr. Wood of Alberta, fresh from the success of the U.F.A. in the political field, spoke in support of economic group organization.¹⁴ A resolution was consequently passed in favour of entering provincial politics.¹⁵ The proposed entry of the Saskatchewan Grain Growers' Association in provincial politics under Mr. Maharg was not regarded favourably by an element which was becoming increasingly vocal and which opposed the control of farmers' activities by a small group of officials. The problem of control by administrative officials of farmers'

¹³See J. B. Musselman, "Maharg Enters Provincial Cabinet" (*Grain Growers' Guide*, May 4, 1931).

¹⁴See H. W. Wood, "The Efficient Citizenship Group" (*Grain Growers' Guide*, March 22, 29, 1922).

¹⁵"Resolved that this convention favours taking the necessary steps to provide for the organization of the supporters of these common principles and objects for provincial election purposes," and "that the Central Board create a committee to assist those provincial constituencies that wish to take action in support of the declared political principles of the Association to organize themselves for such action." The Board outlined specific objects: first, "it seeks to separate election organizations permanently from the influence and domination of members of the legislature and government"; second, "it assumes the elimination of government employees from election organizations"; third, "this system of selection and election should at all times insure that the legislature and the government will be in harmony with the views of the majority of the electors and not seeking to neutralize their federal efforts by lending its weight and influence to a federal party equally out of harmony with popular opinion in the province"; fourth, "it places the full responsibility for choosing, electing and financing the candidates entirely upon the electors in the respective constituencies"; fifth, it will provide those convenient "facilities for expression of our common political principles and objects in provincial elections asked for in the resolution of the convention" (*Manifesto on Provincial Political Action*, prepared on behalf of the Central Board by J. A. Maharg, President, Regina, Feb. 28, 1922).

organizations such as the S.G.G.A., the Canadian Council of Agriculture, and the Saskatchewan Co-operative Elevator Company through interlocking directorates became more acute. McPhail moved an amendment to the constitution that no one having been president or vice-president for four consecutive years immediately preceding should be eligible for re-election. The amendment was lost by a large majority but it forcibly drew attention to the position of Mr. Maharg as President and Mr. A. G. Hawkes as Vice-President. A motion that no federal or provincial member or employee of federal or provincial Parliament should be eligible for office in the Saskatchewan Grain Growers' Association was defeated by a narrow margin.

The success of the revolt¹⁶ was more strikingly evident in the election of Mr. George Edwards as Vice-President over Mr. Hawkes and the election of the following directors-at-large: Mrs. McNaughton, and Messrs. Patrick, Hawkes, Emery, and Musselman. Mr. G. W. Robertson resigned from the Board and his place was taken by McPhail. His diary records the events.

February 14, 1922. Spent morning at Trading convention and afternoon and evening at the General convention. Had a meeting at noon at the Kitchener and another at 7 P.M. **15.** Spent all day at convention. Provincial action discussion in the afternoon. Lambert and the Saskatchewan M.P.'s gave addresses in the evening. **16.** Provincial action discussion all day. Also resolutions and constitutional amendments. **17.** All day spent in election of officers. Maharg defeated Orchard for President, and Geo. Edwards defeated Hawkes, Emery, and Orchard for Vice. We sat until 2 A.M. Saturday morning. **18.** Spent all day at Board meeting. We elected the executive today. Emery, Musselman, Mrs. McNaughton, and myself. **21.** We spent all day in executive meeting until 10.30 P.M. Dr. McLean took Edwards and me to his home for supper. We met there Dr. Geo. Weir. Spent some time in the King's Hotel with Sales. **March 1.** Mrs. McNaughton had breakfast with Edwards and me. I called to see John Reid, but he had gone home. In the afternoon I called on W. A. McLeod, Commissioner of the government publications. We had a long talk about the open shelf library. Had short talk with Maharg in the King's Hotel re interlocking directorates. **2.** Spent some time in Legislative Library looking for books on the [H. W.] Wood's Idea. **4.** I was to come home with Bob McDougall, but I found my horse was still in Elfros. It has been there all week. It cost me \$5.25 for keep. I went to Ladstock in the evening and gave a report of the convention. Quite a nice turnout and a fairly good meeting.

A change of far-reaching importance had been made in the elections of Edwards and McPhail which owed much to Mrs.

¹⁶See *Free Press Prairie Farmer*, March 1, 1922.

McNaughton.¹⁷ Her popularity was evident in that she headed the poll for election to the Board. She urged the necessity of appointing new officers to the Board and did much to push McPhail (who had been commended to her by Norman Lambert as a result of his contributions in the federal election) into a position of prominence.

With appointment to an influential position in the Association, he threw his energy into organization work. **March 15**, "Got off at Leslie and addressed the G.G. there in the afternoon. Stitson of the Federal Live Stock Branch also addressed the meeting on co-operative marketing." On **March 20** he wrote to Mrs. McNaughton complaining of the high salary paid to the Secretary of the Association, Mr. Musselman, and his assistant (compared with that paid to Mr. Wood in Alberta) and objecting to the assistant continuing his private business. On **March 22**,

Had talk with Nicol re Association affairs. . . . I spoke at the G.G. social in the church (Tuffnell). Ira O'Dell and Geo. Willan were both there. **24**. Returned home and drove into Elfros after dinner to address G.G. meeting. We had quite a discussion and decided to call a meeting for Saturday, April 1 at 2 P.M. I stayed at Pat Thorpe's all night. **25**. Came home almost immediately after breakfast. In the evening I went on horseback to Allenby. I called at Pruden's on the way. There were only about a dozen out to the G.G. meeting. We sat until 2 A.M. I went home with Andy Hamilton. We got home at 3.30 A.M. **April 1**. I spoke at the G.G. meeting in Elfros. There were about twenty out. They reorganized and appointed Swain Christianson, President, Dan Delaney, Vice, and a number of directors. **4**. I spent morning at home. D. and Jim Nealy came for lunch. I went into Elfros after dinner and took the train to Yorkton. Met Geo. Roberston on the train. Dr. Patrick met me at the train with Mr. Burkell. We went

¹⁷Born at Borden, Kent, she trained for the civil service but was not accepted on grounds of shortness in height. She came to Harris, Saskatchewan, in 1909 and married John McNaughton, who had been born in Glasgow, migrated to New Zealand, and came to Western Canada, in 1910. She attended the convention of the Saskatchewan Grain Growers' Association at Saskatoon in 1913 and became secretary of a committee which brought into existence the Women's Grain Growers' Association in 1914. She was President of this organization for three years and retired on the ground that new blood was essential to an active organization. In 1916 she became a member of the Board of the Saskatchewan Grain Growers' Association, and in 1918 President of the Inter-provincial Council of Farm Women. She played a prominent role in the municipal hospital campaign, in the work of the Women's War Conference in 1918, in the success of the Progressive party in 1921, and in the development of unity among women's organizations. Her thoroughly practical approach was evident in her motto, "Heed the body first and things of the spirit will come naturally" (*Maclean's Magazine*, April 1, 1926).

to Dr. Patrick's house where we were joined by Mr. Wynn of the *Yorkton Enterprise*. We talked until nearly one. I saw ducks and geese today. Very warm and the snow went very fast. 5. Dr. Patrick took me around and introduced me to some people. We looked over the *Enterprise* plant. Mr. Swallow and I drove out to Fone Hill, nine miles west of Yorkton, where we had a very good meeting. John Reid addressed the meeting. 6. Spent morning around Yorkton with Dr. Patrick. He showed me around the Clinic and we went out to the hospital. Amos Burkell and I drove out to Annaheim school in the afternoon. There were only five men out. 7. I took the morning train to Elfros. Met Geo. Robertson on the train. He was returning from Winnipeg. Had a talk over Manitoba and Saskatchewan political situation, and Saskatchewan Association. Premier Martin resigned on Tuesday, April 4, and Dunning succeeded him on Wednesday. Spent a few hours in Elfros and came home on horseback. Went to a dance at McKellar's and had a very good time. 17. Rode into Elfros on horseback and took the train to Regina. Spent the morning interviewing Gladwell and Wilson. Went up to the Parliament Buildings. After dinner met Mr. Orchard in the library and also Mr. McLeod. Had supper with Mr. Orchard at the Queen's. We spent the evening discussing Association matters in his room. When I returned to the Empire I met Mrs. McNaughton and Edwards. We talked over Association matters to a late hour. 19. The Saskatchewan G.G. executive met at the Central Office at 10 A.M. and sat until 12.30. Met again at 1.30 and sat until 6.30. 20. Spent all day at the Central Office. Musselman [secretary] had a plan of provincial constituency meetings which provided for him attending them all. We took the stand that the executive must take an equal share in attending and addressing these meetings. 21. We spent most of the day going into the trading with Lothian. We decided to close the machinery branch as such and gave six weeks' notice to Laird. We also decided to approach the U.G.G. with a view to making some arrangement for them taking over the trading. May 2. Spent the morning talking to Mary McCallum re Association activities. 4. Called on Weir of the Provincial Savings Bank. Attended a meeting of the United Farmers of Manitoba local in the Board of Trade Building in the evening. They decided to put some candidates in the Winnipeg constituency.

In a letter dated May 23 he wrote planning to visit the McNaughtons, which he did on June 5.

June 5. Drove to Elfros and took the train to Saskatoon. Arrived in Harris in the evening and went out to McNaughton's with J. McN. Had very enjoyable visit. Mrs. McN. and I took the train to Saskatoon and from there went to Regina on June 12. 13. Spent all day attending executive meeting. Evening session as well. 14. Geo. Edwards and I went around to the King's in the morning and met Mr. Baynton and Dr. Patrick. I seconded Patrick's motion to limit the minutes to a record of things done and not a record of speeches, etc. The motion carried after considerable argument. 15. We spent all day and until 12.30 in Board meeting. Discussed thoroughly Political Action and the Trading. We had an executive

meeting after the Board meeting to deal with certain matters arising out of the Board meeting.

Mrs. McNaughton and McPhail were appointed members of a sub-committee of the executive on education. Their educational policy was based largely on advice from Mr. H. W. Wood. In a letter of May 27 the latter stressed the importance of locals and the development of a democratic principle. The philosophy of Mr. Wood was a powerful factor supporting the revolt against centralized control in Saskatchewan. Their report¹⁸ indicates clearly the plans which were proposed.

Throughout the summer he was engaged in attending meetings in the interests of the Association. On July 8, Mrs. McNaughton came to his district to address a series of meetings.

June 25. Took the afternoon train to Saltcoats, arriving there about 10 P.M. **26.** We opened the convention at 3 P.M. Just about twenty-five in attendance. We had a good meeting for the number who were out. Amos Burkell drove Mr. Maharg down from Saltcoats. Maharg and I addressed a fair-sized gathering in the evening. **27.** Mr. M. and I took the 9 A.M. train to Theodore. After dinner we were driven out about nine miles to Calderville to address a picnic. Large crowd, but not much opportunity for speaking. Met in Yorkton by Dr. and Mrs. Patrick. They drove us to the lake and around town. Had a pleasant evening. **28.** I spent all morning around the Hotel. We had about forty out to the convention in the afternoon, and a very good meeting. Mr. Swain was appointed county chairman. Also had a good meeting in the evening. Went to the Clinic after the meeting with Dr. Patrick and afterwards went to Dr. Patrick's home and had tea. **29.** Maharg and I went on train as far as Elfros and took my car to Wynyard. We had a very good organization meeting in Wynyard. The Veteran Hall was full. **July 3.** I drove to Elfros and took the evening train to Springside, where I addressed a G.G. meeting. **4.** I spent all day in Springside. Had dinner at Jack Bole's. In the evening Mr. Swain and I drove out and had a good G.G. meeting in Homestead school. All Germans. **5.** Spent all day in Springside and drove in the evening to Stoney Coulee school with Mr. Swain. **6.** Mr. Swain cancelled the meeting at Beaverbrook school and I took the train for home. **8.** I went to Elfros after dinner to meet Mrs. McNaughton. Took Mrs. M. to McIntosh's and spent the evening there. **9.** I phoned Jack Gray and Leggett of Markinch and Geo. Edwards at Regina. I spent most of the afternoon at McIntosh's. I drove as far as Ruxton's and phoned to Dan McRae to get after the Plains people to come out tomorrow and bring baskets. We went to church in the evening and practised G.G. songs after church. **10.** Spent all morning at home writing and getting ready for the rally. Old Mac and Bob went with me. It rained for a while and held things up, but there was a good turn-out and we had a good rally. We sang four songs. Bob McDougall, Jimmy

¹⁸See Appendix II, pp. 62-4.

Johnson, and Mr. Hutton played the violin. Sloan, Dan McRae, Patrick, Webb, Atkinson, and Bill Johnson all spoke briefly. Mrs. McNaughton spoke well. I visited at McIntosh's in the evening. 11. I took Mrs. McNaughton into Elfros and we met Dr. Patrick. Had dinner together and had a good talk. We had a very good meeting. Mrs. McNaughton and the doctor both spoke well and we had a good discussion. We collected \$11.40. 12. Mrs. McNaughton and I went to Foam Lake. Dunc went with us. We had only about eighteen of an attendance. There was a sports day at Leslie and Theodore. Ira O'Dell was away at Theodore. We had a good discussion and decided to have a real municipal rally next year. We got home about 7 P.M. I got a tooth out and came home and went to bed. 13. I spent the morning at home. Atkinson called for Dunc and they went into Elfros. I called for Mrs. McNaughton at Russell's at noon and we went over the outline of studies for the winter. I took Mrs. McNaughton home for supper and then we went into Leslie. We had a very good meeting. About sixty out. Mrs. McNaughton talked well. 14. I drove to Ruxton's and phoned to McRae's to see if they were going to Kelliher. I called at Pruden's on my way to Kelliher. Gordon P. and E. Patrick went to Kelliher with me. We had a good meeting. Sherrick was chairman and Geo. Edwards spoke. Dan McRae was appointed county chairman. 15. I went to Lestock to get my car fixed. I was supposed to go to Gilbert picnic, but it was 7 P.M. before I got the car fixed. 21. Went up to Old Mac's in the evening to read Manitoba election returns. Farmers have twenty-four members. The largest by a good deal in the new Legislature. 28. I went to Elfros in the afternoon on my way to Fishing Lake. Called for Mr. Bjornson, but he wasn't ready. We had a good meeting at Fishing Lake. I went home with Harry Maxted. 29. I spent morning at Maxted's. Went into Foam Lake and spent the day there. We had a good meeting of the Wynyard County committee or the eastern half. Made arrangements for municipal committee meetings and organization.

At the next executive meeting Mr. Musselman's acceptance of a position as secretary of the Saskatchewan Co-operative Elevator Company, following the appointment of James Robinson to the Board of Grain Commissioners, and his resignation from the S.G.G.A., led to the appointment of McPhail as his successor.

September 6. I drove to Elfros. It was very muddy. I took the train to Regina. Met Geo. Robertson in Wynyard. Registered at the Empire and met Geo. F. E., Mrs. McN., and Mrs. Burbank. 7. Spent all day in executive meeting. A full attendance. I was appointed central secretary [of the S.G.G.A.]. Spent evening at the Hotel with Geo. E., Mrs. McNaughton, Mrs. Burbank, and Mr. Orchard. Was interviewed by *Leader* reporter. 8. Spent all day in Regina. Had my photo taken at Rossies. Had lunch and dinner with Clark. Called on McRae of the Co-op. [Saskatchewan Co-operative Elevator Company] and called at the Buildings. Attended Liberal nomination meeting in the City Hall. 13. Spent all day in Regina. Called at Central in the morning and J. B. Musselman and I went up to the Buildings and attended the conference of debtors and creditors

under the chairmanship of Dunning. We had quite an interesting time. Dunning took a strong stand and would give no assurance that a moratorium would not be declared. 14. Mrs. McNaughton, Mrs. Burbank, Wood, Yates, and I had a conference on a winter's programme in the central office. Had a talk with J. B. M. after lunch.

Extremely diffident about his ability he was loath to undertake his work as secretary of the Saskatchewan Grain Growers' Association. Although his brother drove him in to Elfros his courage failed him and he returned home. On the twenty-sixth he succeeded in making the break. "**September 25.** Dunc drove me into Elfros in the morning. I should be in Regina this morning to take over central office. We were going to get agreement of sale made out for the west half of 30, but Nicol didn't know if the N.W. $\frac{1}{4}$ was in Dunc's name or not. Made several calls. 26. Bob McDougall drove me into Elfros. I took the train for Regina at 8 and went to the Y.M.C.A. 27. I started in this morning at my new work. I hope I get to feel a little better about it, for I feel just about as rotten as a man can feel." He wrote to Mrs. McNaughton on the twenty-eighth, "I am very doubtful if I am going to like this job. I know this, if I had to do it over again I would not."

The direct attack on interlocking directorates achieved a notable success in McPhail's appointment as secretary. During the first few days matters of routine absorbed his attention.

September 28. Spent the day at the office. Was down in Mr. Musselman's office for a while in the morning talking over time for executive meeting and membership drive day. In the afternoon J.B.M. took me to see a McLaughlin car. It seems good value at \$750.00. I spent the evening at the office and had talk with Mr. Burbank. 29. Spent all day at the office. Mitchell of Bell & Mitchell was in for a few minutes in the morning. Spent some time at the office in the evening. 30. I spent most of the morning in the office. D. McRae phoned up and asked me to go out to Elfros with him. I saw Musselman for a few minutes. I went out to Bank End with Mr. and Mrs. McRae. Had an enjoyable trip, arriving home about 8 P.M. **October 3.** Spent morning at the office. Mr. Nicholson took me in a Ford Coupe to see a McLaughlin D. 35. Spent all afternoon at the office. We decided on the executive meeting to take place on October 19 and membership day for November 10. Waldron spent the evening with me in the office. 4. Started out with Musselman and Darby to Markinch but turned back about twenty miles on account of rain. 8. I went to Grace Church with Tom Guild. Took the 8 P.M. train to Regina. 9. I arrived in Regina at 7 A.M. Spent all day in the office. Wrote statement for publication re G.G. membership day, November 10. R. M. Johnson was in and got a long letter to Mr. Crerar typed. 11. I put in all day at the office writing. Dave Cragg was in from Punnichy for a while. Waldron came to the office in the evening with

a proposition for the G.G. Association, the Extension Department of the University, and the Department of Agriculture to give a prize for the best essay: "How to improve the rural community, from the standpoint of a girl, boy, man, woman." 12. I spent all day at the office. Prepared a pamphlet for use of workers and canvassers for members. Saw MacLean (Dr.) in the afternoon. 14. All day at the office writing. 17. Spent all day at the office.

His first executive meeting was held on October 19 and 20. "October 19. I spent all day at the office with the executive. 21. Executive meeting all forenoon and up until 3 p.m. with a short adjournment for lunch. 22. I went to church in the morning. First Baptist. 23. Routine business. 24. All day at office. Put executive minutes into shape and wrote a circular to the Board."

He proceeded to direct the activities of the Association in an aggressive fashion and began, after he had mastered the routine of the office, to plan for the membership drive.

October 26. I drove to Kelvington via Elfros and Wadena. We had a very good meeting both afternoon and evening. F. Lamb gave quite an address in the evening on co-operation. We drove to Wadena after the meeting and got there about 2 A.M. Had to put up at the Chinks. 27. Hope, Mrs. Burbank, and I drove to McKinnon's for lunch and from there we went to Watson where we had good meetings both afternoon and evening. 28. Mrs. Burbank, Geo. Hope, and I started in the morning for Howell. We stopped at Humboldt for lunch and motored on to Howell, arriving there at 3 P.M. There was no meeting so we motored back to Humboldt where we stopped for the night. November 1. I drove with Van Allen, Mr. Cook, and Mr. Partridge to East End. We nearly had a very serious accident. While going thirty-five miles per hour, the left front wheel flew off. Got into East End about 1 P.M. Had a good meeting in the afternoon. Major Van Allen was appointed county chairman. We had a good meeting in the evening with good music. Drove to Shaunavon after the meeting. 2. Took the 7.30 train to Cadillac. We had very good meetings both afternoon and evening. 3. Robinson, Mrs. Burbank, and I took the morning train to Meyronne and hired a car for \$13.50 to take us to Bateman. We had the best meetings of the series at Bateman both afternoon and evening. Mr. S. James was appointed county chairman. Mrs. Burbank, Mr. Cumins, and I spoke in the evening. Mrs. Burbank and I drove to Gravelbourg after the meeting, a distance of eighteen miles. 13. Arrived in Regina at 7.15 A.M. Spent the morning at the office. I was advertised to speak at Markinch but couldn't get there on account of my car refusing to go. 18. I took the 8.25 train to Dilke to address a G.G. meeting. It was a very stormy day and only Mrs. Osborne, two other women, and three men turned out. Met Dr. Strang at Dilke. Came back to Regina in the evening. December 1. I took the 8.25 train to Colonsay. We had an organization meeting at 3 P.M. Mr. and Mrs. Wallace Stewart were there as well as Donald McRae. Mr.

Coffin was appointed county chairman for Vonda constituency. In the evening we had a very good meeting. Stewart and McRae gave very good addresses. I finished up with a short talk on organization work. McRae and I took the 1.10 train to Regina. 13. I spent over an hour in the office in the morning before going out to Earl Grey. Mr. Powell accompanied me. We had a very small meeting. We returned on the 4 P.M. and I spent the evening at the office.

The first annual convention which he attended as secretary was held late in January in Saskatoon.

January 23, 1923. All day in the office. Executive meeting. We dealt with the executive report and resolutions all day. 24. Executive sat all day until about 4.30. I spent the evening at the office. *Leader* reporter was in the office for some time in the evening. I took the 11.55 to Saskatoon. 25. Registered at the King George. Whole day in Board meeting. Consideration of Director's Report. 26. Trading convention. Afternoon, the General convention. I read my report after supper to both the General convention and to the women's section. 27. Dealt with the Wheat Board resolution in the forenoon and had an address from J. A. Campbell after lunch on the Hudson Bay Railway. I addressed two district conventions after 4 P.M.

In his introductory speech as secretary he emphasized the importance of local interest and pointed out that the remedy of unfortunate conditions in agriculture was largely in the farmers' own hands.

Had supper with Professor and Mrs. Morton, Mr. McLeod, Miss Cora Hind, Miss Roe, and Miss Craig. We had a very good county chairmen's organization meeting in the evening. 29. All day at the convention. The evening programme was in charge of the women's section. Miss Hind gave an address on her trip to the old country. 30. Convention adjourned at 12 P.M. 31. All day in Board meeting. Mrs. McNaughton, Cushing, Robinson, and myself were elected to the executive. **February 1.** Executive meeting. 2. Took midnight to Regina. 5. Put in all day at the office cleaning up work after convention. Took the midnight train to Saskatoon.

The directors-at-large elected at the convention were Mrs. McNaughton, and Messrs. McPhail, Emery, Hawkes, and Baynton.

After the convention he arranged for more effective publicity. "**March 13.** Worked on pamphlet co-ordinating '*Does it pay*' and the '*Romance of the G.G.*' 20. Had a very large mail in answer to my circular letters of March 13." Again an arrangement was made for persistent publicity through an agreement with *Turner's Weekly*.

February 7 and 8, 1923. At office. Attended the opening of the session in the afternoon and saw Waldron and McLeod, Harris Turner, Charlie Agar, and Geo. Robertson. Spent the evening in the office. 19. Spent all day at

the office. Maharg, Cushing, Mrs. McNaughton, and I had a meeting with Harris Turner regarding publicity. Afterwards we had a meeting with Mr. Gregory regarding law amendments. I put in the balance of the afternoon working in the office. I told Mr. Wood we would have to cut down our staff. 26. I spent the morning in the office with Maharg, Cushing, Mrs. McNaughton, Harris Turner, and Waldron of *Turner's Weekly*, discussing association publicity. Spent evening in office discussing publicity. April 16. I put in all day in the office in conference with Maharg, Harris Turner, and Waldron. We came to a tentative agreement regarding the publication of an Association paper. Mr. Hopkins, new M.P. of Moose Jaw, was in for a while immediately after lunch. 26. Harris Turner was all morning at the office. He brought down the proposed agreement between *Turner's Weekly* and the Association regarding the publication of a weekly paper. May 4. Among other things I wrote a circular letter to be sent out by *Turner's Weekly* re our paper venture. Played a game of tennis for the second time in my life with Clark on Knox Club grounds. August 2. I was at the office all morning. Also Geo. Edwards, Harris Turner, and Waldron. They came in about 3 P.M. I drove them to the grounds and later we came back. Geo. Robertson was with us. We spent all evening at the office discussing ways and means of putting over the *Progressive* [the new paper]. The G.G. tent at the grounds was a busy place these two days.

Publication was not a substitute for personal contacts and he continued to arrange for and to attend meetings.

February 20, 1923. Took the 7.30 train to Moose Jaw. Waldron and Chas. Little were also on the train and Fleming of Tate. Took the 9.40 train to Aneroid. Waldron and I got into Aneroid at 4.30. Hugh's wife met me there and I went home with her. Waldron and I attended a banquet of the Co-operative Association, and we both spoke. A very good meeting with about sixty present. Chas. Elsey also spoke. Mr. Baker was chairman. 21. Addressed a gathering at Pinto River, sixty present. 22. Meeting at Reliance with thirty in attendance. They have a G.G. band here, twenty-six miles from the railway and a very live local. Drove back to South Pinto for an evening meeting. About thirty out. 23. Drove to Buffalo Horn. Good meeting, about forty-five people in attendance. I had supper with Mrs. McDonald, who went to school with my father. I was driven to Westerleigh for an evening meeting. About 140 people there and a very enjoyable time. 24. Drove to Ponteix to catch the 10 A.M. train. April 25. I worked all day in the office. Mrs. Burbank, Miss Linfoot, Yates, and I put in nearly all day in planning the municipal rally campaign for June and July. I went for a long walk after supper and came back to the office. 27. Wrote letters re municipal rallies. May 5. I went to the Canadian Club luncheon to hear Sir M. Sadler at 1 P.M. Had to leave at 2.10 to catch train to Moose Jaw. Beesley and Frank Ritchie met me at the train in Moose Jaw. Spent the balance of the afternoon with Mr. Beesley at Tysdall's house discussing G.G. Association. 6. I took the 3 A.M. train to Swift Current, arriving there at 7.30. Mike McLachlan came in about 11 A.M. and we spent all day talking S.G.G.A. Met Sam Moore for a short while.

D. J. Sykes came in for a short time in the evening. 10. Took the 9.25 train to Dilke where I spent the day. Mrs. Osborne came in about 2.30 and we went for a drive. I tried to arrange with her for a series of rallies in District 8. I got back to Regina at 8.05. 11. Drove to Lestock. Stopped at Hamilton's for the night. 12 and 13. Talked to farmers, etc., re rallies. 19. Took the night train for Hanley, and made plans for rallies there. 22. Miss Linfoot and I spent some time planning speakers for the rallies. **June 5.** Put in a busy day preparing municipal rallies. 17. I got up at 7.30. Called at McRae's and drove out to Craven, where I spoke at the morning service. Called on some people in Craven. Had lunch at Tanner's, five miles north of Craven. At 3 P.M. spoke at a church service ten miles north of Craven. Drove Mr. Wiseman to Silton and he promised to take the evening service. Got into Regina about 8.30. Met Billy Muir and another man. We went for a drive. 25. Stopped in Wilkie all forenoon. Went to Reford in the afternoon with Stoliker, Mrs. Kripps, and Sydney Bingham. We all spoke. About 100 were present. 26. Spoke at a picnic outside of Wilkie. We then drove through mud and water to Rockhaven. Bingham, Stoliker, and I had to sleep in the livery stable. 27. Drove to Cutknife and had dinner there. It was raining and no one turned out. 28. Spent the morning at Unity and drove out to Vera Lake after dinner. There were about 250 people out. We all spoke. Bingham and I drove to Wilkie afterwards. 29. I took the morning train to Saskatoon. Met Bingham and John Meikle on the train. Took midnight to Regina. **July 9.** At the office until 11 A.M. Took the morning train to Abernethy. Mrs. Osborne also on train on her way to Rocanville. Mrs. Benson got on at Bulyea and McSweeney at Cupar. We got off at Balcarres. On account of the bad roads meeting at Abernethy called off. 10. Drove out to Tullymet in the afternoon. Broke down on the way and did not reach there until 5 P.M. We all spoke briefly. 11. Took afternoon train to Lipton. We had a fairly good meeting in the hall with the band and orchestra in attendance. About 100 out. Had supper outside afterwards. Very warm and fine, but roads bad. 12. It rained very heavily during the night and made it impossible for us to get to Govan by car. Had to call off the meetings at Govan and Nokomis on the twelfth and thirteenth. I came back to Regina.

At the same time that he was building up the Saskatchewan Grain Growers' Association, he was concerned with promotion of its general interests. In October 1922, he attended a meeting of the Board of Grain Commissioners in Winnipeg. "The proceedings were extremely interesting. **October 7.** Spent all morning at the sitting . . . Langley made a masterly summing up of the farmers' case." "**October 6.** Spent the evening with Maharg, Musselman and Sales at Royal Alexander. We sent a wire to J. A. Robb, Minister of Trade and Commerce, re the rescinding of the coasting laws. 'Under today's date, Winnipeg papers report shippers demanding eight cents per bushel on wheat, Fort William to Georgian Bay

ports, as compared with $2\frac{1}{2}$ cents a year ago. Quotations today, Fort William to Buffalo, five cents. This is an intolerable situation, and we believe fully justifies immediate abrogation of the coasting laws.'” Protests against the high rates led to the appointment of Dr. S. J. McLean of the Board of Railway Commissioners to a Royal Commission to investigate the difficulties. In February he prepared a statement for the Royal Commission on Great Lakes Freight Rates and on **February 12** “I attended the opening of the Royal Commission. The following lawyers appeared for the shipping interests: Pitblado and assistant, Phillips, Whitla of Winnipeg, Geoffrion and Towers of Montreal. Two lawyers from Fort William, Symington for the Commission, Murray and Trueman appeared on Tuesday and Thursday respectively for the Canadian Council of Agriculture. **13.** Attended the sessions of the Commission.”

At the end of six months his attitude toward the work had changed. He wrote to Mrs. McNaughton on **April 14, 1923.**

I had quite a long talk with Hull during our Chicago trip and I was telling him how I felt about remaining in my present position. He talked very sensibly I thought and gave me just a little different angle on the matter than I had before. He said it was much easier to be independent and a free lance and much harder and perhaps more useful to have to put up with the things a man in this position very often is compelled to put up with. I believe that is true. Perhaps a man in a position of this kind can gradually shape things in the right direction by a process of winding and bending rather than by direct method. The trouble is that there is always the danger of the individual rotting in the course of time. Coming continually in contact with the influences which we continuously see at work will almost inevitably have its effect. . . . Of course I know the alternative again would be in the direction of following the examples of monks which I think is very selfish and foolish. I am going to stay with this as long as I can, or at least until I find out if I can properly fill the job or otherwise.

ORGANIZATION OF THE SASKATCHEWAN WHEAT POOL

With the retreat of Mr. Musselman to the Saskatchewan Co-operative Elevator Company, McPhail assumed the burden of solving the problems which centred about the attempts to re-establish a Wheat Board. The S.G.G.A. adopted a resolution asking for a Board on July 7, 1920, and ten days later the United Farmers of Alberta supported the request but went further and asked the U.G.G. and the Saskatchewan Co-operative Elevator Company to consider the possibility of organizing a co-operative pool. The

Canadian Council of Agriculture passed a resolution on October 22, 1920, urging the re-establishment of the Canadian Wheat Board and appointed a Wheat Market Committee with H. W. Wood, F. W. Riddell, and J. R. Murray, Assistant General Manager of the U.G.G., as members. It reported in December in favour of the establishment of a United Farmers' Grain Corporation to sell the pooled wheat of all three provinces on a five-year contract basis—the farmers' elevator companies to handle wheat on the same basis as it had been handled for the Canadian Wheat Board and stated that the contracts must cover at least 60 per cent of the wheat acreage. On December 10, a Co-operative Grain Marketing Committee was formed including Mr. H. W. Wood of the U.F.A. and Mr. J. A. Maharg of the S.G.G.A. They were expected to report on a tentative agreement with the two farmers' companies but no pooling arrangement was to be considered which might prejudice the position of the companies. At the annual convention of the S.G.G.A. in 1921, a resolution of want of confidence in the officials of the Association was moved by the Wynyard local on the grounds according to Mr. G. W. Robertson that the executive had not been sufficiently active in the support of a Wheat Pool. It received feeble support but was an indication of discontent. In spite of a pamphlet issued by the secretary which was regarded as an attack on the pool, the convention favoured "the fullest measure of interprovincial co-operation among the farmers' organizations in order that a new cooperative system of marketing of grain should be established."

A report¹⁰ to the Government of Saskatchewan on wheat marketing by James Stewart and F. W. Riddell presented on May 3, 1921, following instructions from Premier Martin on March 19, stated, "We believe that the most perfect form of a centralized wheat marketing agency at the present time can be created only under the control of a national organization, and, secondly, we believe that in considering any form of wheat marketing pool, involving less than complete national control, one based upon voluntary cooperative effort on the part of the producer is preferable to one bound by the provisions of a legal contract." On June 1, 1921, in the *Grain Growers' Guide*, Mr. Musselman inspired by the Saskatchewan Co-operative attacked proposals of the Wheat Pool Committee of the Cana-

¹⁰*Report to the Government of Saskatchewan on Wheat Marketing by James Stewart and F. W. Riddell* (Regina, 1921); also *Public Service Monthly*, Regina, June, 1921.

dian Council of Agriculture reported in December, 1920. He favoured a voluntary pool for the crop of 1921 to be controlled by an "independent" board of trustees appointed by the S.G.G.A. and the Saskatchewan Co-operative. The U.G.G. favoured control by the farmers' companies. In November, 1921, the Committee appointed by the Canadian Council of Agriculture on December 10, 1920, reported that a large-scale voluntary contract pool was impracticable because of the difficulty of enforcing contracts over a period of five years and of probable difficulties with the banks and elevator companies.

The success of the Progressive campaign in 1921 was based in large part on the demand for a solution of the wheat marketing problem. As a result of these demands and following advice from the Deputy Minister of Justice, a bill was passed in 1922 to create a national wheat marketing agency similar to that of 1919-20 "to become effective by proclamation as soon as two or more of the provinces have conferred upon this agency such powers possessed by the board of 1919 as come within provincial jurisdiction." Special sessions of the Legislatures of Saskatchewan²⁰ and Alberta passed enabling legislation but the Premiers of these provinces were unable to secure suitable appointees to administer the Board—Stewart, Riddell, Rice Jones, Murray, and McFarland having refused to act. They issued a statement:

We have canvassed the field fully for suitable men and have to state that men having the necessary ability and experience are unwilling to assume the great responsibility involved. One of our greatest difficulties lay in the fact that most of the men best qualified for these positions belong to the ordinary grain trade, and there is no doubt that the great majority of the men in the grain trade are opposed to the wheat board idea. Those who believed the board to be a necessity this year declined to take the positions because of the opposition in the grain trade in general. In this connection they repeatedly pointed out to us that the use of facilities controlled by the various branches of the trade was absolutely necessary.

As a result of this statement Premier Bracken announced on August 16 that there was no necessity for legislation in Manitoba.

McPhail had followed the developments with absorbed interest throughout. His trips to Winnipeg with livestock involved conversations with members of the staff of the *Grain Growers' Guide*,

²⁰The legislation included an Act to confer certain powers upon the Canadian Wheat Board (The Canadian Wheat Board (Additional Powers Saskatchewan) Act, 1922). See *Public Service Monthly*, Regina, Aug., 1922.

Pratt, Abel, and Hull, and with Lambert of the Canadian Council of Agriculture, and his trips to Regina in connection with the Progressive movement with McRae of the Saskatchewan Co-operative Elevator Company. On **January 10, 1921**, he wrote, "Went to see John Pratt in the morning and discussed the Wheat Pool. He gave me important information. I had a long talk with J. R. Murray re the Wheat Pool." Following the success of the Progressives in 1921 and prior to the Convention of the S.G.G.A. in 1922, he sought more detailed information on the subject. "**February 8.** Had dinner with Pete Abel and another lunch with Norman Lambert. Spent part of the afternoon with J. T. Hull at the Legislature. **February 9.** I called on Norman Lambert in the afternoon." The S.G.G.A. at its convention asked for a Wheat Board for the crop of that year.

With McPhail's election to the Board and the executive of the Saskatchewan Grain Growers' Association, he became a member of the Canadian Council of Agriculture.

February 27. I went up to the Buildings first thing in the morning for a short while. At 10 A.M. I attended my first Council of Agriculture meeting. Norman Lambert introduced me to all present: Mrs. Elliot, Mabel Finch, Mary McCallum, Miss Kidd, Mrs. McNaughton, Mrs. Burbank, H. W. Wood, Mr. Sears, Rice-Jones, T. A. Crerar, John Reid, F. J. Collyer, Mr. McClelland, A. J. Pool, Mr. Rathwell, C. H. Burnell, Geo. Langley, H. C. Fleming, Tom Sales, J. A. Maharg, J. B. Musselman, Mr. Mills, F. W. Riddell, Mr. Robinson, Geo. Chipman, J. T. Hull, J. J. Morrison. We spent most of the day in discussing the reconstruction of the Council. Lambert told the story of Professor McClennan and the submarine. Approved greatest assistance possible from federal Government to Research Association. **28.** Spent all day at Council meeting, most of which was a discussion of the Wheat Board and resolutions dealing with the Canada Grain Act. In the evening we had an Association executive meeting in Musselman's office. All present but Orchard and Emery. Messrs. Wood, Morrison, and Lambert were present for a time. **March 2.** Had conversation with Donald McRae. Had supper at Donald McRae's. **April 19.** Norman Lambert met with us (S.G.G.A. executive) in the afternoon and discussed the Wheat Board and political action. We passed a resolution re the Wheat Board [in favour of establishment]. Edwards and I met Lambert in the evening.

He had developed considerable scepticism regarding the influence of the officials of the Saskatchewan Co-operative Elevator Company and of the interlocking directorates with the Saskatchewan Grain Growers' Association. The attack on interlocking directorates at the convention was followed up.

April 21. I told Musselman my impressions of his Wynyard address on wheat marketing. I also told him a man had to take one side or the other. I talked frankly regarding large salaries. **May 1.** Spent the morning with Hull of the *Grain Growers' Guide*, also called on Pete Abel. **3.** I spent most of the forenoon discussing wheat marketing with J. R. Murray. In the afternoon I called at the offices of the United Farmers of Manitoba and had talk with Wood and Ward of the *Grain Growers' Guide*. **4.** I spent most of morning with Norman Lambert discussing the Wheat Board and other matters. Also spent part of the afternoon with him. Spent some time with Hull.

"August 4. Had long talk with Lambert²¹ again. He went into the Wheat Board matter." McPhail's views were expressed in a letter to Mrs. McNaughton dated **August 8, 1922.**

I think this Wheat Board business is a fizzle all through and I think things are being worked to have it so. We know Crerar is not personally in favour of it. It is rather significant that now Lambert is associated with Stewart in business and Riddell is manager of one of the farmers' big companies and they both refuse to have anything to do with it.

Now I saw in yesterday's *Star* after I was talking to you that, as a result of the conference of Dunning and Greenfield in Calgary, they have chosen Wood as first choice to head the Board, Crerar second, Musselman third, and Burnell fourth. This may only be a rumour. But if it is true it would be quite in keeping with other things that have happened. Wood, I believe, is very doubtful if the Board can be made a success under the present legislation and moreover is not an authority or expert in grain marketing. He would, I think, naturally refuse. Crerar on account of his position and views is out of the question. If this is the line-up of men who are to be offered the position and they all refuse what will be the effect, and if any of these men took it with the exception of Crerar, what would be the effect? If this is the line-up it looks rather clever for Dunning.

His suspicions were scarcely accurate in detail but the results were as he expected.

Failure to secure the Wheat Board, and appointment as secretary of the S.G.G.A. necessitated vigorous efforts.

November 11. Arrived [Winnipeg] at 7.30 and went to the Y.M.C.A. Called to see Hull and Chipman and spent all morning there. Met Premier Greenfield. Called on Ward of the Canadian Council of Agriculture and we had lunch together at Childs. **21.** [Regina] Spent all day at the office. A number of farmers were in. The Elevator [Co-op.] Board met yesterday. Edwards, Mrs. McNaughton, two men from Cupar, Waldron and Burrows from Raymore were in the office. **22.** I put in all day attending the Co-operative Elevator Council meeting. I had to address the banquet in the evening. The Hon. J. A. Cross, John Evans, and Mr. C. M. Hamilton also

²¹Lambert resigned in the summer. McPhail wrote to Mrs. McNaughton, July 24, 1922, "I am very greatly disappointed over Lambert's resignation."

spoke. **23.** I attended the second day of the Co-op. meeting. Mr. Riddell gave his ideas regarding the Wheat Board. It was decided to have the Council of Agriculture make an effort to get the provincial Governments of the West to urge the federal Government to give the necessary legislation to enable the Wheat Board to function properly. Edwards, Mr. McClelland, Mr. Pierson of Tisdale, and two men from the Happyland constituency were in. I had supper at the Empire and Ira O'Dell, Edwards, Milo Rockwell, and I went to the Allen in the evening. **24.** Dunning phoned me re convention. **27.** I called on Dunning and had a long talk.

On December 15, Premier Dunning, in a speech at Saskatoon, stated his opposition to the compulsory features of the Wheat Board and proposed the formation of a Canadian Farmers' Export Company, by amalgamating the export subsidiaries of the Saskatchewan Co-operative Elevator Company and the United Grain Growers, which would make initial payments and issue participation certificates on a pooling basis for wheat delivered through the elevators of the parent or other companies. Surplus receipts after the payment of 10 per cent on the paid-up capital invested in the export corporation by the parent companies and the setting aside of 20 per cent for reserve would be distributed to participation receipt holders. On the following day McPhail wrote in his diary: "R. M. Johnson was in for a while talking over Mr. Dunning's speech in Saskatoon last night on the grain marketing question. We were in accord in supporting Dunning." Mr. Crerar and Mr. Rice-Jones of the United Grain Growers were favourable to the proposal, but Mr. Langley, President of the Saskatchewan Co-operative Elevator Company, was critical on the ground that voluntary deliveries would be uncertain and that they would have little marketing influence with control of a small quantity of wheat. **December 18,** "I called on Tommy Wayling, Crerar's secretary, in the morning and then called on Rice-Jones. Mr. Crerar was in for a few minutes. I went to lunch with Rice-Jones at the St. Charles. Afterward called on Mr. Crerar and had a very interesting discussion with him on wheat marketing and broadening out." At his first convention meeting, **January 27, 1923,** he "dealt with the Wheat Board resolution in the forenoon." **February 25.** We then went to the Forum where we heard Mr. Langley speak on the Wheat Board. **26.** I spent the afternoon in the Legislature with Mrs. McNaughton. Dunning closed the debate. **March 5.** Visited D. McRae for discussion on some grain matters. **11.** I went to the Forum and heard Musselman speak on co-operation. He and Langley had a very hot tilt."

With a Committee of the Canadian Council of Agriculture he returned from Toronto via Chicago and Minneapolis to Winnipeg. "**April 3.** Arrived at Dearborn Station at 8.30 and went to the La Salle Hotel, an awful place. Spent all day with the other men at the offices of the American Farm Bureau Federation. Got much valuable information. **5.** Arrived at Minneapolis about 11.30. We enjoyed the scenery along the Mississippi valley all morning. Had dinner at the St. Andrews Hotel and afterwards visited the North-West Wheat Growers' office, where we received much valuable information. Took 5 p.m. train for Winnipeg."

The officials of the Saskatchewan Co-operative Elevator Company had been most persistent in support of a Wheat Board. On April 17 they held a full meeting of their Board. "**April 17.** I spent all day in the office. Went in to see Hingley re saving to farmers through municipal hail insurance. Met Jno. Evans, Mills, and Langley on the street at noon. They are having a full Board meeting today to discuss weighty matters. Went for a long walk after supper up to and around the Parliament Buildings. Came back to the office and spent the evening. **18.** I was all day in the office. Met Hawkes, Fleming, Maharg, Mills, and Langley at noon. Maharg was in the office in the morning. I went to see him at the King's in the evening. Went to the Allen and saw the Canadian Council of Agriculture picture. Attended a wrestling match at the Y.M. There were three good matches."

A final attempt to establish a Wheat Board for the Prairie Provinces was made by the introduction of legislation in Manitoba but it was defeated by a narrow majority on April 27. The problem took a new turn. McPhail wrote to Mrs. McNaughton on **May 2.**

We in the Association are in a rather delicate position with regard to this question, which I think is the most important that we have facing us at the present time. The Associations of the three western provinces this year in convention reiterated their demand for a Wheat Board just as strongly as they have in former years. Regardless of how sure we may be that a Wheat Board will not operate for this year, it is just a question whether any officer of the Association should, at this time, come out flat-footed for the creation of a co-operative wheat marketing organization for this year. There is still the possibility that the provinces of Alberta and Saskatchewan may go ahead and make a serious attempt to bring a Wheat Board into operation for the marketing of the wheat crop of these two provinces for this year. While there is that possibility, at least in the minds of the people, they might take the stand, if anyone came out at the present time for a co-operative scheme, that it was a move to kill the Wheat Board. On the other hand, even if a

Wheat Board of some sort can be arranged for this year between Alberta and Saskatchewan, it will in any event be only for one year, and in view of that, and the fact that Manitoba will be out of it, it does not give very much promise of the venture being a success.

I am very strongly of the opinion myself that the solution of our marketing difficulties is the biggest immediate problem that we have, and I am also very strongly of the opinion that the solution of that problem runs along the lines of the farmers organizing a co-operative association, owned and controlled by themselves, especially when it seems almost beyond the region of possibility that we can get a national marketing scheme under way. I think there is quite a feeling in many quarters that the farmers' organizations have been playing politics with this question, and that they have been dilly-dallying in a manner that will never get the farmers anywhere in the solution of this question.

When we visited the offices of the North-West Wheat Growers' Association, the men whom we saw there seemed to be very optimistic regarding the future of the co-operative plan, and were of the opinion that before a great while the bulk of the wheat grown in the United States would be marketed through a centralized co-operative farmers' organization. They are also looking forward to the not distant future when the Canadian wheat will also be marketed through a similar agency. When that time arrives there will be little difficulty, with organizations complete in the two countries, in having them co-operate in the control of the merchandizing of this product.

I believe that if our Association and the other Associations were to come out flat-footed in the near future—and it should be in the near future, if it is to be done at all—for the organization of a farmer owned and controlled co-operative agency for the marketing of their wheat, it would be the greatest boost that our Association could have. If we do not do it in the near future, the initiative is going to come from other sources—of this, I have very little doubt—and as a result our own organization can be accused of having been asleep at the switch.

I believe that regardless of Aaron Sapiro's political views, we should do everything possible to have him²² visit Western Canada in the near future. I was talking with Mr. Colquette in Toronto—I don't know whether I mentioned it to you or not—and I asked him what he thought of Mr. Sapiro, and whether or not he believed it would be worthwhile to have him visit Western Canada in connection with the formulation of a co-operative policy for co-operative wheat marketing. Mr. Colquette said that Mr. Sapiro was undoubtedly the greatest and most reliable authority on co-operative marketing on the American continent, and he would consider it a very wise move on our part to have Mr. Sapiro visit the West and confer with the farmers' leaders before any organization scheme would be embarked upon. He said

²²May 2. "Read Sapiro's speech on wheat growers in United States Agricultural Committee evidence." Sapiro stated on December 14, 1922, in an address to the Cooperative Marketing Associations at Washington that "the wheat situation has been more muddled than any other crop situated in this country. There has been more wrong leadership among the wheat growers than there has been among all the other growers combined."

that in 1920 or 1921, when the United States Grain Growers were organizing on such a large scale for co-operative marketing, Mr. Sapiro left their meeting because they refused to accede to some of the conditions which he laid down and which he considered absolutely essential to success. Within six months everything that Mr. Sapiro said, and to which the United States Grain Growers would not agree, turned out to be true.

With the defeat in Manitoba, the Saskatchewan Co-operative Elevator Company officials began to discuss the possibility of a Wheat Board with two provinces.

May 7. I took the 3 A.M. train to Regina, arriving here at 7.50. Maharg was in for a short time in the morning. We discussed the *Progressive* and the Wheat Board and co-operative marketing. He is in favour of going right ahead with a co-operative scheme if we don't get a Wheat Board. **16.** Left Geo. Edwards at 8 A.M. and got to Regina at 10.10. Fleming was in for a while in the afternoon and suggested that Maharg should go to Winnipeg to see Stewart re Wheat Board chairmanship. **18.** I was all day at the office. Maharg is going to Winnipeg tonight to see James Stewart about the Wheat Board. **23.** Spent all day in the office. Went up and had an hour's talk with Dunning in the morning. Took the 7.35 to Winnipeg. **June 12.** All day at the office. I took a walk up around the Parliament Buildings in the morning. They are having a conference of the Boards of the U.G.G. and the Saskatchewan Co-operative Elevator Company today together with Dunning and Greenfield. **13.** I spent all day in the office. John Reid and J. J. McClelland of Taber, Alta., were in for a couple of hours in the forenoon. I called on Donald McRae for a short time in his office. R. M. Johnson was in for a short time before supper. I had supper with Sears of Alberta. Afterwards met Wood, Greenfield, McClelland, and John Reid at the Kitchener. **20.** Wheat Board negotiations have been going on in Winnipeg since last Saturday and no word yet.

At the meeting in Winnipeg the United Grain Growers and the Saskatchewan Co-operative Elevator Company were unable to agree as to the handling of pool grain. James Stewart refused to accept the position as President of the proposed Board when the meeting refused to allow it to dictate selling policy. Rice-Jones, McFarland, Wood, and Murray each refused the position of manager. The proposal of Dunning and Greenfield to assist a voluntary pool financially if the United Grain Growers started one was rejected because of doubts arising from a decline in the price of wheat from \$1.24 to \$1.04. On **June 22**, Premier Dunning and Premier Greenfield were again forced to announce they had "found it impossible to secure a board combining all necessary elements of experience, ability and public confidence." On **June 30**, McPhail "spent a long time with Dunning talking over the Wheat Board." **July 4**, "Attended

the Council meeting. 5. Spent most of the day attending Council²³ meeting. Maharg and I had a talk after the meeting re the formation of a provincial pool. I met the Manitoba men afterwards and they suggested an interprovincial meeting on the 17th or 23rd."

McPhail wrote an illuminating account of the proceedings in a letter to Mrs. McNaughton dated July 7, 1923:

We have a very interesting time ahead if I am not mistaken. I think I have become fairly informed as to all that has taken place in connection with the Wheat Board negotiations. I think I told you something of what took place here when the two Boards met for preliminary negotiations. I found out all that took place then, but from an Alberta man. Through all the discussions none of our men came near the office and I heard nothing from them. What I heard from others led me to the belief that they were simply playing politics. They afterwards, as you know, spent nearly a week with the two Premiers in Winnipeg and the whole project finally fell through. I heard rumours even out at Wilkie that the negotiations had ended in a virtual rupture between the two companies and knowing what I did I was not surprised.

When I got back to Regina I found a letter from Maharg. It is the first time he has taken the trouble to write or to inform me regarding anything important and I was immediately watching for something. He told me that in the final discussions the Co-op. Company offered their export company, of which Jas. Stewart is manager, to the two Premiers as a selling agency for the disposal of the wheat crop, and that the Premiers were willing but the U.G.G. representatives [proved difficult] . . . and Stewart refused to have anything to do with it. He also asked me to see Mr. Riddell so that I could be informed on the whole matter before going to this conference. Well, I might have gone to see Riddell just to find out what he would have to say, although I wouldn't have taken much stock in anything he would tell me, but Fleming came in on Monday and told me the Co-op. version of the matter. I let Fleming know my opinions. I went to Winnipeg Monday evening and spent all day seeing Chipman, Murray, Crerar, and Lambert. I think I have both sides fairly well. I might say I had a long talk with Dunning Saturday in connection with the same matter. I am personally convinced that the Saskatchewan Co-op. men wanted a Wheat Board if they could have everything their own way, but not without, and the failure of the Wheat Board negotiations are due more to them than to any other cause or all causes put together.

I have had a couple of rather sharp tiffs with Maharg and I have seen a side of him I never saw before. He is as hard as nails when you get under

²³The U.G.G. proposed at this meeting that "the Western section of the Council of Agriculture should take the initiative in organizing a voluntary inter-provincial wheat pool" and that the two farmers' companies should place their elevator facilities and handling organization at the disposal of the pool as in the case of the Wheat Board of 1919-20. See H. Patton, *Grain Growers' Cooperation in Western Canada*, pp. 211-12.

the veneer. We will probably see more of it in the next few weeks. At the conference this week they deliberately set out to block any progress, and it is quite apparent to me that they are determined above everything else to hold what they have. At the beginning of the conference Mr. Crerar read a memoranda from the company favouring a large interprovincial pool. The U.G.G. are desirous of organizing one great centralized marketing agency for Western Canada on a pooling basis. They suggest that the two companies furnish the necessary finances for organization purposes to be repaid out of the pool after it is operating. They propose doing away with the export departments of the two companies and the organizing of an export department in connection with the pool and distinct from the two companies. They suggest the willingness of the U.G.G. to hand over all the facilities of the U.G.G. to the pool in the event of its success.

They would have the associations in the different provinces assume responsibility for the organization of their respective provinces, drawing on the fund created by the two companies for that purpose. The Association would then get any credit or benefit there could be got from such an enterprise. Well, do you know that we never even discussed this memoranda. Riddell and J.B. at once raised the question of the Wheat Board. Crerar had made the statement that the Wheat Board was a thing of the past. There was no possibility of having one this year and little prospect of it in the future. Riddell raised the question supported by J.B.M. that we had no right to think the Wheat Board dead and that this conference was called for the purpose of dealing with the Wheat Board. It was pointed out in answer to this, that when provision was made at the Toronto meeting for the calling of this conference it was understood that it was to be for the purpose of dealing with the wheat marketing problem of the future regardless of whether or not there was a Board this year. I made myself very clear on this point and it was the first outward indication of a difference in the council meeting among any of the Saskatchewan members.

Here were these two men who I know do not want a Wheat Board trying to raise it again as a live issue for the purpose of blocking any progress along another line. Well we talked for a day and a half but didn't get anywhere in particular. They were opposed to any resolution that was proposed. We finally passed a resolution commending in a half-hearted way the co-operative principle and pooling and commending for the consideration of the different provinces the action taken by Alberta. The decision taken by Alberta to form a provincial pool was just what these Saskatchewan men wanted. Mr. Schofield, who was the only representative present from Alberta, made plain that now Alberta had decided nothing in the way of a pool could be organized for this year, they would not want to stand in the way of anything the other provinces would decide on. Privately he admitted to me that the step taken by Alberta was the result of a feeling of hopelessness of getting joint action judging from past experience, and especially the experience of the past few weeks. Now during these meetings this week Maharg, J.B.M., and Riddell have been together all the time and have been trying to hatch up ways and means of heading off interprovincial action. After the conference was over Maharg asked me to go along with him and

talk things over. He and I and J.B.M. went over to their offices in the Exchange Building. On the way over J.B. was emphasizing the necessity of doing something at once in the way of a provincial pool to head off the activity of the Farmers' Union. You will know from the papers all about that and no doubt there is a great necessity to do something for they have taken the initiative in this most important matter and are forcing the old organizations to do something. This again is going to be a good excuse for the Co-operative men. When Maharg and I were alone he unfolded what was in their mind, the starting of a pool by Saskatchewan at once for the marketing of this year's crop. I asked how that could be done. We couldn't get the contracts signed. He said that was not necessary at all. That if the Co-op. and the Association and the Government could co-operate we could have one going in a very short time.

I told him I was absolutely opposed to a provincial pool and had no use for provincialism in any shape or form. He greatly resents me daring to differ with him so radically and cannot hide his feelings. We ended our conversation rather amicably and decided to call an executive meeting on the seventeenth, the earliest date we could on account of meetings next week. His parting words were to think it over seriously and in the meantime it would do no harm for the Co-op. men to be working on the proposed scheme.

I stayed over yesterday and again saw Crerar, Murray, and Lambert and others. I didn't tell Crerar or Murray what was in the minds of the Saskatchewan men, but I did suggest to Murray that it might be possible to form a pool for this year's crop without contracts. I think he smelt something. He replied that it was an impossibility and if any man or men should try it he would make the public announcement that it was with deliberate intention of killing the co-operative pooling idea. Lambert, of course, knew what was in the wind as Riddell had been in the office earlier in the afternoon. I suggested to Lambert that this scheme might be for the purpose of heading off interprovincial action and killing the idea. He said there wasn't a shadow of a doubt in his mind that such was their intention. He said they don't want a pool at all. They simply want to keep the Co-operative Elevator Company intact and consolidate their own position.

Now I don't know exactly how you feel about all this but I can make a shrewd guess. My opinion just now is that we have reached a crisis in the farmers' organizations and there is a possibility of forcing a showdown in all this antagonism and jealousy which has become a canker in the whole movement. I don't know how the members of the executive will divide on this matter but unless things look different to me a week from now than they do now I feel like holding out absolutely for interprovincial action. For instance, if a majority of the executive decided in favour of a provincial pool I think we could withdraw support and make an issue of it from now until the next convention and possibly in the meantime join with the other provinces in joint action. I am sure the farmers of the province want unity rather than dissension. That would mean, of course, that I would have to resign. That would mean more to me now than such a move could mean at any time in my life, for I am not in a position to do so in view of the step I am taking shortly. But I see the possibility of accomplishing something

really worthwhile by doing so if certain conditions arise. I was never in such deep water before, for a certain individual does not see things exactly as I do in this particular, or the necessity of sacrificing personal considerations for the sake of public duty. But I take it I was elected to do what is best in the farmers' interests and not in my own private interest and if I fail for any reason to do that, I would not be doing what I was appointed to do. . . . I imagine J.B.M. will try to get in touch with some members of our executive and it is hard to tell how they will go. I am looking forward to the probability of having to get out. I don't feel like doing anything short of the fullest measure of interprovincial co-operation.

Of course quite a lot will depend on what course Alberta decides on. Maharg stated to me quite openly that he does not believe in interprovincial action and never did.

The position of Alberta was extremely important. The United Farmers of Alberta were in control of the Government, and its Association had no problem of interlocking directorates as the United Grain Growers were in control of the elevators. Mr. H. W. Wood had been a member of the Canadian Wheat Board and was thoroughly convinced of its importance. At a speech at a Saskatchewan Grain Growers' Association meeting in October, 1920, he claimed that the price of wheat could have been kept to at least \$2.50 had the Board continued.²⁴ The decline in prices of wheat after the abolition of the Board was regarded as "an admission of the weakness of our uncentralized selling system." In articles²⁵ in the *U.F.A.* (the organ of the United Farmers of Alberta), Mr. Wood claimed that the pre-war basis of the value of wheat had been its feed value and that after the war with no basis available and the absence of efficient marketing, prices had gone down to the level of coarse grains. The annual convention of the United Farmers of Alberta on January 16, 1923, adopted a resolution "that in the event of failure to secure a federal wheat board, the Alberta provincial government be asked to grant such legislation as will give to the farmers of the province a provincial wheat board." On April 17, a proposal was advanced in the *U.F.A.* to bring Sapiro to Alberta as a result of his inspiring work among the apple growers in British Columbia and on June 15 Sapiro's speech at Minneapolis on the success of the Burley tobacco growers' association and his predictions as to the probable success of the pooling system applied to wheat were printed in full.

With the failure of the meeting in Winnipeg on June 20 it was

²⁴*Ibid.*, p. 190.

²⁵*U.F.A.*, Dec. 12, 1922; Jan. 15, 1923.

announced on June 21 that Alberta would proceed to form a pool. Mr. Wood published an article on July 3, "Co-operative wheat marketing system can and will be established," and it was announced that the U.F.A. Marketing Committee and a committee of the provincial Cabinet were engaged in exploring the possibilities of a provincial pool. On July 4 the U.F.A. directorate decided to launch a voluntary contract wheat pool. Sears and Jackman obtained a promise from the executive council of consideration of the pool and the committee included Brownlee, Wood, Hoadley, Greenfield, Jackman, Lunn, and Reid. Small pools were being formed in MacLeod, Chinook, and Coronation, and a report was presented on July 16 by Mr. Jackman on a plan for a wheat pool. On July 21, the *Calgary Herald* and the *Edmonton Journal* announced arrangements to bring Sapiro to Alberta. Following Sapiro's address at Calgary, a resolution was passed to form a pool, and a committee of seventeen, including representatives of various groups, was formed and a campaign for a sign-up programme was begun.

Revolt against interlocking directorates of the Saskatchewan Co-operative Elevator Company and the Saskatchewan Grain Growers' Association developed not only within the ranks of the Association but also in a new organization, the Farmers' Union, formed at Saskatoon in 1921. The first convention at Kelvington elected Mr. L. P. McNamee, President; Mr. H. Schwartz, secretary, and Mr. L. C. Brouillette,²⁶ provincial organizer. Committees of four members were organized around the local school as a unit. At the next convention, Mr. Brouillette became Vice-president. The aims included that of organizing "farmers so that they may be enabled to fix their own price above cost of production." Study groups were organized and interest aroused in Sapiro's work in California. At the convention at Saskatoon (July 2-4, 1923) a resolution was passed in favour of immediate organization of a provincial wheat pool and an invitation was sent to Sapiro to visit Saskatchewan. Mr. Brouillette carried on an energetic campaign to arrange for meetings for him. Alberta newspapers had asked that Sapiro should address similar meetings in that province and it was hoped that publicity obtained in this way would force Saskatchewan papers to take a more enthusiastic interest. The *Regina Leader* had invited Mr. Sapiro in May but the invitation was cancelled in June.

²⁶Mr. Brouillette was born at Centerville Station, Illinois, in 1886. He visited Landis, Saskatchewan, in 1917 and in 1919 operated a farm of ten quarter sections. He died on April 22, 1937.

Preparations were made for an interprovincial meeting. On **July 13**, McPhail "spent the day at the office. Wired to Mr. Wood to find out if he would be in Saturday. He would not be in Calgary until the 16th. I took the 7.40 train to Winnipeg. **14**. Arrived in Winnipeg at 9 A.M. Went and had a talk with Hull and then saw Lambert, Jim Murray, and Donald McKenzie. Took night train to Regina. **20**. All day and evening at the office. Oppressively hot. Maharg was in a couple of times. He and Riddell are going to Winnipeg to-night." The interprovincial group met at Regina on **July 23**.²⁷

On **July 16** the Saskatchewan Co-operative Elevator Company set aside \$10,000 to enable the Saskatchewan Grain Growers' Association to organize a voluntary wheat pool. "**July 17, 1923**. All day in executive meeting (S.G.G.A.). Strenuous day. **18**. All day again in executive meeting. Had Riddell and Mr. Fisher of Farmers' Union in. Decided to proceed with the organization of a provincial wheat pool."²⁸ In view of the lateness of the season they decided on a voluntary non-contract pool.

July 24. Edwards stopped with me last night. McKenzie, Cowan, and Jackman were in the office during the morning. Maharg, McKenzie, and Jackman had a meeting in the Co-operative Elevator Board room during the afternoon. Had dinner and supper with McKenzie. **25** and **26**. Talking over plans with Edwards and Maharg. **27**. Spent all day again in the office. Maharg came in in the morning and Hamilton came down about 10 A.M. to talk over the invitation to go on the Wheat Pool Board. We said we would meet at 7.30 in the evening after he had taken the matter up with the Cabinet. We had a meeting in the evening with Maharg, Edwards, Wilson, Hamilton, and myself. Hamilton wanted until next Tuesday to decide whether or not he would go on the Board. **28**. We had a meeting in the morning with Maharg, Edwards, Wilson, Hamilton, and myself present. After very considerable discussion and after we gave Hamilton the assurance that we would be represented as a Board at Sapiro's meeting if he comes on August 4 and that we would proceed without delay with the organization of a contract pool with an interprovincial selling agency, he promised to be a member of the Wheat Pool Board. Mr. Maharg gave his assurance that we were proceeding at once with the organization of a contract pool for 1924. We organized the Board by appointing J. A. Maharg, chairman and A. J. McPhail, secretary. Maharg, Wilson, and McPhail were appointed to the executive. The Board had a meeting with Gregory after lunch. Gregory was appointed counsel.

29. Stopped at Geo. Edwards' all night. Hugh [McPhail] and I had breakfast there and left at 10.15 for Regina. It started to rain when we

²⁷McPhail wired Sapiro this date, "Organizing a provincial wheat pool."

²⁸See Appendix III, pp. 65-6.

got about thirty miles north of Regina. It was very slippery before we got in and the tire and rim came off the right front wheel. 31. Put in most of the day in the office. Emery came in for the tent work at the grounds. I took Edwards, Emery, and sign up to the grounds after dinner and came back to the office. August 1. Busy with interviews and worked at questionnaire [The Saskatchewan Wheat Pool: Your Questions Answered; 175,000 copies distributed] as much as I could. 3. Maharg and Edwards were in all afternoon. We had difficulty with the Government over the selection of a name for the Wheat Pool. They will not let us use "Saskatchewan" except in connection with the S.G.G. Association. We were to have a meeting of the Wheat Pool Board this evening but could not find Hamilton. 4. Had a meeting of the Wheat Pool Board this morning. Had long discussion over a name for our pool. Maharg, Hamilton, and Gregory went up to see Dunning. After considerable discussion we decided on the name United Farmers' Pool.

6. Had phone call from Geo. Edwards and Geo. Robertson from Saskatoon asking our S.G.G. Wheat Pool Board to go to Saskatoon. Maharg, Wilson, and I took the 2.15 to Saskatoon. Maharg gave evidence before the Royal Inquiry Commission in the morning, and Dunning during the afternoon. We decided to ask the Farmers' Union to a conference next morning. Robertson, Edwards, Wilson, and I hunted up the Union men at the Labor Temple and arranged a meeting. 7. Wilson, Maharg, Edwards, Geo. Robertson, and I had an all morning conference with the Farmers' Union men at the Royal Hotel. Aaron Sapiro was present most of the time. We decided to scrap our S.G.G. pool and to join forces with the Farmers' Union and all other organizations to form a Saskatchewan Contract Wheat Pool for 1923. Mrs. McNaughton, Edwards, Geo. Robertson, and I went together to the Sapiro meeting. The Third Avenue Church was full and it was a wonderful meeting.

With the Hon. Chas. A. Dunning in the chair, Sapiro referred chiefly to experiments in co-operation in California and other states. He argued that "you have got to organize by the commodity and not by the locality," "you must organize on an absolutely non-profit basis," "stick to your commodity and handle the commodity you are organized for," "Do not let anyone talk politics on a co-operative marketing association," "The contract must be a long-term contract," "You have got to make your contracts enforceable," "Stop dumping and start merchandising."

August 8. Arrived in Regina in the morning, and Geo. Edwards, Geo. Robertson, and I had breakfast with Sapiro. We talked over the formation of the Wheat Pool Committee. Sapiro insists I must head the real organization. Spent the morning at the office. Maharg, Edwards, and Geo. R. were in as well as Cushing. I left my office to Sapiro and Maharg. They had a conference of over two hours. Maharg was a transformed man when it was over. He appeared as if the worries of the world had been removed

from his shoulders. I went over to the Kitchener to see Sapiro and he told me of the interview. 9. All morning at the office. Brouillette came in to get identified at the Bank. Mr. Rodgers was in and promised to phone all on Regina circuits. I attended the Sapiro luncheon at the Canadian Club. Sapiro gave a great address. Had long talk with John Evans after the meeting over the Co-operative Elevator Company's attitude. He said Riddell would not come to hear Sapiro, that he was sulking at the office. Met Donald McKenzie afterwards at the Kitchener with Fry, editor of the *Farmer's Advocate*. McKenzie and I went for a walk and came to the office. Went to the Sapiro meeting at the Metropolitan Church. Great meeting and great address. The [Regina] *Leader* got raked fore and aft. 11. Arrived in Swift Current 7 A.M. Met a large number of acquaintances during the morning. Attended very large meeting addressed by Sapiro in the afternoon. Spent the evening in conference with Sapiro. Took 4.30 to Regina.

13. Had first meeting of the Wheat Pool Committee in the Y.M.C.A. [five from S.G.G.A.—Maharg, Edwards, Robertson, Stoliker, McPhail; five from Farmers' Union—Thrasher, Brouillette, Laird, Fisher, Dundas; five from unorganized farmers—Reusch, Moffatt, Spence, Wilson, Williams, and alternate Moffatt and Wright—; and a number representing other interests—Wray (Regina Retail Merchants' Association), Patton (*Saskatoon Star*), Riddell, Noyes (elevators). Sub-committees included Campaign (nine members), Personnel, Elevator, Operations, and Internal Organization].

This organization committee appointed a provisional board of the Saskatchewan Co-operative Wheat Producers Ltd. on August 17 of twelve persons²⁹ which at its first meeting on August 23 elected A. E. Wilson chairman and G. W. Robertson secretary.

August 23. Had meeting of Board in morning. Maharg did not attend. He went home in the afternoon and returned for evening meeting. During afternoon meeting a resolution was introduced prohibiting an M.L.A., an M.P., a member of the Boards of the S.G.G.A. or F.U. of C., or a member of the Board of any elevator company from being a member of the Wheat Pool Board. Also a resolution was passed providing for a one year term for directors. Mr. Maharg when he returned in the evening very strenuously objected to both resolutions. He said when a man does the spade work in these organizations for ten to twelve years and then when something really big like this comes along, we want to kick him out. He also said who is going to work for three months in this Wheat Pool organization and get it all in shape ready to operate and then step back and let someone else run it. Geo. Edwards replied: "I am willing to do that. We are not kicking anyone out, but voting ourselves out." Maharg replied: "Well I am not." I was not

²⁹L. C. Brouillette, R. J. Moffatt, G. Spence, W. M. Thrasher, G. W. Robertson, A. E. Wilson, J. A. Maharg, G. Edwards, A. R. Reusch, G. G. Wray, A. J. McPhail and W. C. Noyes. Later it was decided to increase the size to sixteen, and R. H. Dundas, J. W. Mathewson, T. Moffitt, and M. McLachlan were added.

present at this meeting, but it was reported to me by G.F.E. It was apparently a very strenuous meeting. 24. We discussed nearly all day the disqualifying resolution introduced the previous day. When it came to a vote it carried 8 to 5. Immediately after it carried, Mr. Maharg resigned on the grounds that matters of policy had been discussed and decided during his absence. He said he was not resigning on account of the M.P., M.L.A. resolution. He could not sign a contract himself and could not ask anyone else to sign with directors having such an unstable tenure of office. We decided it was not a vital matter, and passed a resolution to reconsider the question. On reconsideration, it was agreed to a two year term for directors. Then a resolution was passed to reconsider the really important resolution. After further discussion, the second vote stood 7 to 7 and declared lost. If it had stood it would have created an excellent feeling in the country.

Saskatchewan was handicapped by an organization which combined dissentient elements and by lukewarm support from an entrenched organization, the Saskatchewan Co-operative Elevator Company. A vigorous campaign was launched but failed to reach the rigid objective in 1923. On August 27, no. 1, vol. I of *The Progressive*³⁰ was issued and carried an article by McPhail which described general plans preparatory to sign-up day on August 28. "Never before in the history of this country has there been created with such rapidity so complete an organization. Never before has there been such a widespread and wholehearted response to an appeal for workers in a public cause." The memorandum of association provided for a capitalization of \$100,000 divided into shares of \$1.00 each. For campaign purposes the province was divided into three districts with two supervisors in Saskatoon and two in Regina. Each municipality was in charge of a chairman responsible for the appointment of canvassers in each township. Each member paid \$3.00 of which \$2.00 was for organization expenses.

On August 28, the Board was organized with A. E. Wilson, President; A. J. McPhail, Vice-president, and Brouillette, Dundas, and Robertson as members of the executive. The executive was nominated as a committee to proceed to Winnipeg to arrange for elevator facilities.

August 30. Arrived in Winnipeg at 8 A.M. Maharg, J. B. Musselman, and Riddell also. I went to the Board of Grain Commissioners' office. Attended Board sitting in City Hall at 11 A.M. Met the Board of Grain Commissioners at 2.30 [to set the elevator charges for year]. 31. Spent all

³⁰Partly as a result of the establishment of this paper the Leader Publishing Company's various papers, attacked Sapiro and objected to the five year contract. It published a letter from Joseph Passoneau to ex-Governor Lowden, alleging that Sapiro had hired improper officials in charge of pools.

day in Wheat Pool conferences. G. Robertson and I spent the evening at the Royal Alexander with H. W. Wood [and Hutchinson. At this meeting an answer over the name of A. E. Wilson was made to a statement by Mr. Musselman that the pools would have great difficulty in Saskatchewan and Alberta]. **September 1.** Met the North West Grain Dealers' Association in the morning and spent the balance of day in conferences.

Little could be done without the formation of a pool and the campaign failed to secure its objective of 50 per cent of the acreage of Saskatchewan. On September 14, McPhail, as chairman of the Campaign Committee, reported insufficient funds. On September 15, "Board meeting in Regina. We decided to waive time limit for securing contracts but not the 50 per cent minimum."

The year was devoted to the task of securing the necessary percentage acreage to permit of formation of the pool.

October 18. I took the 8.35 to Grenfell. Had meeting there at 2.30, about twenty present. **20.** All morning in the office. Brouillette was in during the morning. Attended Wheat Pool executive meeting during afternoon and evening. Dundas didn't arrive until after supper. Wilson, Robertson, Dundas, Brouillette, and myself present. **23.** Only four turned up at the afternoon meeting and about fifteen in the evening. Andrew Knox addressed the meeting. **24.** Drove to Melfort with Mr. Irving, Mrs. Craig, Smith, and Pearson. About twenty out in the afternoon and forty in the evening. Poor meetings. Knox addressed evening meeting. **25.** Had good meetings at Kinistino both afternoon and evening. Knox addressed evening meeting. **27.** John McCloy, Mrs. Craig, and I drove to Shellbrook. We had about twenty out in the afternoon and twenty-five in the evening. We had supper at Dr. Sutherlands. Then drove back to Prince Albert after the evening meeting.

November 6. I took the morning train to Moose Jaw. Took stage from Viceroy to Bengough. About twelve out at afternoon meeting. We went to Jensen's for supper. He lives about twelve miles of Bengough. Had a fair meeting at night with about forty present. **7.** Took stage to Viceroy and train to Limerick. Mr. Sephton and Mrs. Molleken were along. There were about twenty-five attended both meetings. Great interest taken by those attending. Meeting adjourned at 12 p.m. **26.** Took 11.15 train for Hanley, after fixing up a number of circulars to go out. Had a fair meeting in the evening. Dr. Salisbury was appointed county chairman. Mrs. Osborne and Gus Hamdorf spoke. **27.** We went to Craik after lunch. Had fair meetings afternoon and evening. **28.** Arrived in Saskatoon on early morning train. Spent day at Turner's and Milliken's offices. **29.** Took noon train to Unity where we had a fair evening meeting. About forty out. **30.** Stoliker, Mrs. Krips, and I drove to Kerrobert, forty-five miles. We drove to Mrs. Krips after midnight, arriving there at 2.30 a.m. **December 1.** Slept at Krips for a couple of hours. Stoliker drove me to Tako where I took the train to Saskatoon, arriving there at noon. I spent the afternoon at Milliken's and at the *Progressive* office with Waldron. Took

the midnight train to Regina. 13. Took the 2.15 to Govan. Met Mrs. Graham of Craven on the train. Ben Peterson was also on. W. E. Edwards, W. R. Fansher, and Mr. Downie met me at the train at Govan and we had supper together. Had a good meeting with about 120 present. 14. Spent morning at Lewis place. We drove in to Raymore after noon. Had a large meeting. Mr. Burrows and some of his friends heckled pretty freely. Stopped in Raymore all night. 15. Took the morning train to Nokomis. Got off the local at Nokomis and took the flier to Saskatoon. Had lunch with Bob Milliken and went to Turner's office, where I had a talk with Turner, McRobbie, Hardy, and Herbert. Took the midnight to Regina.

December 21. I attended Co-op. Elevator for a short time both afternoon and evening. I attended the banquet in the evening and had to sit beside Langley and speak. 22. Attended Co-op. meeting most of the day. Langley and all the directors spent the day in an acrimonious discussion. Langley and Riddell were especially bitter. We had a Wheat Pool executive meeting in the evening. 23. Mr. McNaughton was in in the morning, also Mike McLachlan. I spent a couple of hours with Turner and Waldron at the King's before lunch. Wheat Pool Board meeting in the afternoon. 30. Arrived in Saskatoon. Talked Wheat Pool to different ones all afternoon. It was the consensus of opinion that we should get Sapiro back. Geo. Robertson was the only one who objected. Geo. and I went to Harris Turner's after supper and spent the evening there until train time. **January 2, 1924.** Took the early morning train to Kisbey. Had dinner at Mr. Barker's. About twenty-five attended the meeting at 2.30. Mrs. St. John and I drove to Arcola. We had supper at Lort Williamson's. Fifty people at meeting. Stopped at the Arcola hotel. Best country hotel I ever stopped at. 3. Mrs. St. John and I went to Manor. I came back to Regina on the evening train. 8. I took the 8.25 train for Naicam via Colonsay and Lanigan. Had about forty out. Wallace Stewart was chairman, and Mrs. Burbank was along too. 9. Mr. B. and I took the 7.30 train to Raymore via Lanigan. Good meeting. 10. We took the 11 A.M. train. Mrs. Burbank for Regina and me for Tate. Very good meeting there with sixty out. I drove over to Govan with some hockey boys. The radiator was leaking badly and we had to make many stops to fill up with water. 11. I took the 11 A.M. train to Regina. Mr. Summers, secretary of Sylvia local, met me at Silton, but I told him I would go out by car. I tried to make it by car in the evening but got into a snowdrift north of Regina about thirteen miles. It got so late I had to turn back.

January 12. I spent all day in the office. Thrasher and Brouillette were both in quite a part of the day. We were arranging to get Sapiro here at the time of the Trustees convention. Brouillette and Thrasher, Robertson and myself were in the office until after 12 P.M.; arranged to get Jewett to our convention if he will come. 27. Clark and I went for a long walk. I spent the most of the afternoon at the office with Mrs. McNaughton and Edwards. Geo. Robertson and I and Edwards had conference with Bryant over Sapiro and Trustees convention. **February 8.** In office all day. Sapiro wired he would come for the Trustees convention. McRobbie was in to see about

printing for *Turner's Weekly*. Bryant was in during the afternoon. Came back to the office in the evening. 20. Went over to the Kitchener after supper and met Sapiro and walked over to the church with him. It was the best meeting I ever attended. Hundreds were turned away. Sapiro got a wonderful reception. He dealt in a masterly manner with the accusations of the *Regina Leader*. He announced he was going to enter a libel suit^a if the *Leader* did not apologize. 21. Arrived in Saskatoon at 6.30. Spent the day in conferences. Had a Wheat Pool Board meeting at 2 P.M. and changed some of the articles of Association [Board of Directors to hold office one year]. Attended Sapiro meeting at night. It was a great meeting and Sapiro made a great speech. Dr. Magill made a poor defense of the Grain Exchange. Took the midnight home. 23. All day at the office. Attended Canadian Club Luncheon at 1 P.M. and heard James Howard of the American Farm Bureau Federation. He also spoke at the G.G. local at 4 P.M. I didn't care much for him. 24. Wilson, Robertson, Brouillette, Bob Milliken, and I had a conference with Sapiro at the Kitchener in the evening. Sapiro was out of humour. 25. Sapiro spoke at Weyburn. Great meeting.

Success depended also on funds and on February 1 he wrote, "Wheat Pool Board met all day. I was appointed to go to Ottawa and also to manage the Wheat Pool campaign."

February 9, 1924. Preparing to go to Ottawa. Edwards, Robertson and I went to see Calgary and Regina hockey. 11. Arrived in Winnipeg at 8 A.M. and went on to Ottawa. 12. Prepared memo for presentation to the Cabinet for a return to the Western Wheat Pools of the Wheat Board surplus [\$5,600,000]. 13. Arrived in Ottawa. Saw Miss Cummings [secretary], Motherwell was in Toronto. We had a short interview with the Hon. T. A. Low at 6 P.M. 14. Our committee [L. Hutchinson, P. Broadfoot, W. G. A. Gourlay, A. J. McPhail] met the Hon. McMurray at 10 A.M. and had a satisfactory interview. We met Hon. Messrs. Robb, Motherwell, Stewart, and McMurray at 12. Mr. Robb was clearly opposed to granting our request. Other three were favourable. 15. Spent all day in Ottawa. I had interview with Motherwell in the morning. He was strongly in favour of returning the money. Broadfoot saw McMurray. The Cabinet council considered the matter and referred it to a committee of five. Low told us in the evening that the money would be returned if there was any legal way of doing it. Took train home.

The funds were not obtained to organize the pools but were turned over to each of the three provinces and used chiefly as a trust fund for the promotion of co-operation in Manitoba and Alberta and of research in Saskatchewan.

A determined effort was made in the spring to complete the organization campaign. On March 3, Mr. Buck Evans was ap-

^aSuit was brought for \$50,000 in September but the case was thrown out on the grounds that the papers had not shown malice. An appeal was heard and sustained upon which an apology was published.

pointed in charge of publicity. On March 5 at a Wheat Pool Board meeting it was resolved "that it is the opinion of this provisional board of directors that no director in the permanent organization should retain a similar office in any grain handling or marketing company (not a subsidiary of this company) or Saskatchewan Grain Growers' Association or Farmers' Union of Canada or any organization formed for purposes similar to these two organizations or any member of the provincial legislature or any member of the Parliament of Canada."

March 5. All day at the office. Wheat Pool Board meeting all day. We had McNamee in all afternoon and threshed out the attitude of the Farmers' Union to the pool. Met Mr. Wood at the train at 7.25. He spoke in the City Hall. We saw him off on the 1.50 train at night. 6. At the office all day. Edwards was in all day. A large number of callers from the Municipal convention. Geo. Robertson and I spoke to the Regina Retailers at night. 8. Brouillette and I lunched together at the Elite. Langley was in during the afternoon. He is going up to Shellbrook constituency next week. Edwards, Robertson, Buck Evans, and myself were back to the office all evening. 11. Again all day at the office. I walked up to the buildings at noon with Clark. Brouillette in all day. Edwards went to Milestone and from there to Gray. I was in the office until 12 P.M. Mr. Knopps of Scobie, Montana, was in over trouble in connection with shipping grain. I was sick. Buck Evans, Brouillette, and Waldron were in all evening. Brouillette went to Saskatoon to a Farmers' Union Board meeting. 12. Heard Sir Joseph Flavelle at Canadian Club. Large attendance. Very busy. Larger acreage today than usual. Mr. Wick and I had a row, but I appointed him to take charge of the west part of Arm River. 13. 77,000 acres came in. Had lunch with Hugh at the Wascana. Also supper. Evening at the office. 14. Took the 9.40 train to Marquis with E. R. Powell. Good meeting, attendance of seventy-five. Came back to the office when I got back. Had an invitation to go to a Devonshire dance, but had to refuse. 15. Put in all day at the office. Wilson, Geo. Robertson, and I went over the accounts in the afternoon. Hugh, Waldron, and I went to hear the *Maid of the Mountains*. It was very good. 17. Went with Conlin to a Wheat Pool meeting at Pilot Butte. We had about thirty farmers out. Got back for supper. 18. All day in the office. In the evening, Lowthian, Brown, Pragnell, and I talked until 11.30 on reorganizing the office files. 20. Went to Moose Jaw and addressed the Saskatchewan Retailers' convention on the Wheat Pool. 21. Edwards was in all day. We went to hear Sir Martin Harvey in the evening. 22. Mr. Conlin and I started out to a meeting twenty-five miles north of Regina, but smashed one of the front wheels of the car and had to turn back. 23. I went to church in the morning and came to the office. Williamson of Arcola was in. I went up to Dunning's house and had a talk with him over Wheat Pool matters. Went for a long walk. Spent some time at the office at night with Brown and Robertson. 24. Had another interview with Dunning. Spent all evening at the office. 93,000 acres in

today. 25. All day at the office. Had a row with a certain individual in the morning. At the office until 11.30. Evans was in all evening. 22,000 acres in today. 26. Agar, Robertson, and others in today. We had a Wheat Pool executive meeting in my office in the evening. 27. All day and all evening at the office.

28. Geo. Robertson, Brouillette, and I called on the superintendent of the Bank of Montreal in the afternoon. Robertson, Brouillette, Evans, Pragnell, and I had a meeting during the evening on a new filing system according to townships. I arranged for Brouillette probably to take charge of organization in the north and for Geo. Robertson to come into the office again. April 2. Took early train to Cedoux. Buffum and Robinson, M.L.A., were on the train. I had good meeting at Cedoux with twenty-five present. Signed up 2,600 acres. Mr. Gibson drove me to Colfax. Had supper at Lizzie Muir's. Good meeting with about forty-five. I think Cedoux and Colfax districts will go over strong. 3. Arrived home at 3.30. We went over the 4,000,000 acre-mark today. 4. In the office all day. Went to a banquet at the Buildings in the evening. Dr. Creelman, former Principal of the O.A.C., gave an address. Had a good time dancing. 5. At the office all morning until 1.30 P.M. Clark and I went to see *Blossom Time* in the afternoon and also in the evening. It is the loveliest music and singing I ever heard. 7. Had a meeting in Arlington school with about thirty in attendance. Signed up 3,000 acres. Went home with W. E. Edwards. 8. W.E.E. drove me into Cymric and I took the 11.09 to Regina. Brouillette and Robertson and Wilson were all in the office. 12. Routine office work. Went to see Dunning at 11 A.M. in connection with the Wheat Pool finances. Took the 2.15 to Drake. Bob Steele and Gladys met me at the train. Spent evening with Bob and Elizabeth. 14. Came back by Craven and had a fairly good Wheat Pool meeting there. 15. Spent all day in the office. Geo. Edwards returned this morning from the East. We had a Wheat Pool executive meeting in the afternoon. Went to McRae's for supper and spent the evening there. 60,000 acre contract today. 16. Quite a number of visitors all day. Edwards and I went for a long walk just before supper. 17. At 11 A.M. Wilson, Brouillette and I and Robertson, had an interview with the Government in connection with financial support for the pool. 18. We have a large number of men in the office today making up township lists. 19. Most of the morning at the office. Geo. Robertson and I and Evans went to Eaton's and out to the Exhibition Grounds to see the Government stock. Clark and I went for a walk after lunch. I spent most of the afternoon at my room reading the *Rosary*. Spent the evening at the office helping get out township lists. We have thirty or forty men getting these out. Until April 21 working on township lists. 23. At the office all day. Got off all the correspondence of five days. 25. Wilson and Brouillette were in the office all morning. Garfield Wray was in during the morning. May 2. All day at the office. I called on the Manager of the Cr dit Foncier and Mr. Spohn of Public Works Department to have them sign their land to the pool. They both refused. 3. All morning at the office. I made an agreement with J. H. Newsome of Lumsden to spend a week in Wolseley constituency organizing. Evans, Robertson, Pragnell, and I went out to

the golf course at 4 P.M. and played golf until dark. The first time I ever had a golf stick in my hand. 13. At the economic conference most of the day. 14. do. 20. All day at the office. I moved from Rose to Scarth today. 21. Spent all morning at the office. Geo. Edwards was in, and we drove to Moose Jaw in the afternoon. I called on Ferguson, secretary of the Board of Trade re Wheat Pool campaign. Came home on the 6.05. 22. All day at the office. I am sending out a special Wheat Pool circular to all constituency chairmen in the province today. Preparing for June 10. 23. Went to Weyburn and spent the day there. Had a long talk with Powell of the Weyburn Security Bank. 31. Had a Wheat Pool executive meeting in the morning. Robertson and I divided the provinces into [sixteen] districts in the evening. **June 1.** I came down to the office at 9.30 to meet the other executive members and Bob Milliken. We decided to have nominations for elections of delegates. Went to Knox and heard the Rev. Whitehouse. Came back to the office and spent the evening with Robertson, Brouillette, and Dundas. 2. Went to Moose Jaw and spent day there; addressed the Rotary Club at noon. Came back to the office at night. 5. Geo. Spence and I drove out to Keystown to a Wheat Pool meeting. There was a good attendance and we signed up 2,000 acres. Got home at 2 A.M. 6. All day again at the office. Busy day. I addressed the Probus Club at 6.30 on the Wheat Pool. 10. Wheat Pool Board meeting sat until 11 P.M. Great Saskatchewan Wheat Pool sign-up day.

Amendments were passed stating that directors should be elected by a majority of the delegates in each district. The following day it was decided that the sixteen districts should have ten sub-districts in each and these to be represented by a director chosen by ten delegates. The delegates were to meet twice each year.

June 16. Wheat Pool over the top today. 20. A. E. Wilson and I spent the day together. Called on Ward, McKenzie, Mr. Wark of the Alberta Pacific. I called on Norman Lambert. Wilson called on James Richardson. 21. Spent the morning with Hull. Blakeman took Wilson and me for a drive out to St. Andrew's Locks after lunch. Wilson went home to Indian Head and I went to Wynyard. 22. Arrived in Wynyard at noon and had dinner at Ben Peterson's. I addressed a meeting in the Veterans' Hall at 3 P.M. Drove to Elfros and visited Nicol and stopped at Dunc's. 23. Spent the morning around Elfros meeting people. Took the 10.45 to Saskatoon. Spent from 4 to 6 at the *Progressive* offices with Turner and Waldron. Spent the evening with Turner, Waldron, Bob Milliken, Geo. Edwards, and Dr. Salisbury. Took midnight home. 25. All day in conference with Manitoba and Alberta Wheat Pool men. O. L. McPherson and Jensen from Alberta and D. L. Smith, sales agent from Winnipeg, and Burnell from Manitoba pool. 26. All day at Wheat Pool Board meeting. Sat until 12 P.M. Nicol of Elfros was in. We declared the pool in operation and made final arrangements for elections. Went for a short drive in the morning.

Fifty per cent of the acreage was signed and included 46,509

contracts of 6,433,778 acres. The drive for increased acreage and for sustained interest in the pool was carried on through July.

July 1. Arrived in Saskatoon in the morning and spent until 9.30 with Pat Waldron at the *Progressive* office. I went out to Harris with Bob Milliken, ex-Mayor McConnell, and Hardy of the Progressives. A very large crowd at the picnic arranged jointly by the Farmers' Union of Canada and the S.G.G.A. McNamee, McConnell, Milliken, and I spoke. Drove back to Saskatoon and I took the midnight for Regina. **7.** Arrived in Saskatoon in the morning. Took the 9.30 train for Beechy. Had a fair-sized evening meeting. **8.** Drove to Lucky Lake for dinner. Had two pretty good meetings there. **9.** Drove to Surbiton where we had a big outdoor meeting. They also had baseball and other games. Drove to Dinsmore for the night. **10.** Drove from Dinsmore to Elrose for dinner. From Elrose we drove to Clear Water Lake. We had a big meeting in the hall beside the lake. **11.** Drove to Plato for dinner and then to Bickleigh. Had a very good meeting in a coulee. Mr. Sam Whatley met us at Bickleigh. Stopped at Brock all night. **12.** Travelled to Kindersley. Had a good crowd in the fair grounds. Drove from Kindersley to Rosetown after supper. **13.** Harry Marsh drove Mrs. Holmes and myself to Biggar to catch the flier to Saskatoon. **17.** In the office until 11 A.M. I drove to Milestone and had lunch at A. J. Bradley's. Bradley drove with me to Amulet where I addressed a small gathering at a picnic. Got back to Regina at 11 P.M. **22.** I drove to Lanigan and took train to Saskatoon. Bob Milliken, Pat Waldron, and Bob Moffatt met me at the train. We spent the evening at the *Progressive* offices. **23.** Met Charlie Little on the street. We went to Bob Milliken's office. Spent some time there and went down to the *Progressive* office. From there to Farmers' Union convention. Met Woodsworth there. I had lunch with Pat. Waldron. We went to the fair grounds in the afternoon. I spoke at Farmers' Union convention in the evening. Took night train to Regina.

Completion of the pool organization and his inclusion on the Board necessitated withdrawal from the Saskatchewan Grain Growers' Association. His stand against interlocking directorates on the pool Board was paralleled by his stand against them in the Association. At his final convention meeting in January, 1924, J. A. Maharg was defeated as President and the Saskatchewan Co-operative Elevator Company was no longer in control of the Saskatchewan Grain Growers' Association.

January 14, 1924. Finished my executive report. **16.** Routine work. Alf. Reusch called after lunch. Maharg was in too. Cushing was in the outer office, but did not come in. Coldest day so far. **17.** All day at the office. Walked up to the buildings at noon with Clark. Mr. Whiteside of Birsay was in during afternoon. I went home after supper and worked on the Board of Directors' report, and resolutions. **21.** All day in executive meeting in the office. Hard day. Mrs. McNaughton, Edwards, and I took a

definite stand on interlocking. 22. Took the early morning train to Moose Jaw and registered at the Cecil. Spent the day at the Board meeting in the Y.M.C.A. 23. Trading convention opened at 10 A.M. Main convention at 2.30, most of the evening spent in discussion of membership fee. 24. All day at the convention. Hoey spoke in the evening. I took stand against interlocking after Hoey's address. There was a very interesting time. 25. All day at convention. J. A. Maharg spoke for fifty minutes in an appeal for re-election. He was defeated by Geo. Edwards by 264 to 198. Convention sat until 2 A.M. Saturday. 26. All day in Board meeting. The best Board meeting I have so far attended. Came back to Regina on the 9.25. **August 16.** I spent the morning at the G.G. executive meeting. They had a joint meeting with the women until 11 A.M. My resignation as secretary was accepted. They postponed the appointment of a new secretary until next meeting.

APPENDIX I

LAST MOUNTAIN FEDERAL CONSTITUENCY

Instructions re Primaries

Any supporter of the New National Policy in the Municipality may hand in the name of a man whom he wishes to have placed in nomination to the chairman or secretary of a polling division, or to the municipal committee man. All these names shall then be sent by the polling division chairman or secretary to the municipal committee man, who shall prepare a ballot or list containing all the names so suggested. The committee man shall then call a public meeting of supporters of the New National Policy which shall be open from 8 P.M. to 10 P.M. or until any other suitable time of day, for the purpose of giving an opportunity to all supporters to vote on the proposed names. The result of the vote in each polling division should then be sent to the municipal committee man, whose duty it would be to tabulate all the votes in the municipality for each candidate. The man having the largest number of the total votes in all the polling divisions in the municipality would be declared the municipal candidate. His name should be sent to the constituency secretary.

Ladstock, Saskatchewan,
September 22, 1921.

To Canvassers and Polling Division Committees:

As you no doubt know, Premier Meighen has announced that he is going to the country before the end of the year, and before this reaches you dissolution of the present Parliament will probably have taken place. Most Westerners hoped, and I think believed, that the election would not take place until provision had been made for giving the Western provinces fair representation in the next parliament through a distribution bill. In spite of the fact that the census was taken last June the Government is brazenly going to ignore the rights of the Western Provinces to their fair share of representation in the Parliament of Canada. The reason is obvious and need not be enlarged upon.

Again, although the election itself may not take place until sometime between November 15 and December 1, the real organization work, to be effective, **MUST** be brought to a high state of efficiency in every corner of the constituency, and of the country, at least a month previous to election day. The Government have a full knowledge of what they are about, and although election itself may be after harvest and threshing operations have been completed, they know that elections are not won on election day, but through the work accomplished on the days preceding the election.

On account of the large crop and uncertain weather conditions, the supporters of this movement in Last Mountain are going to be subjected to a severe test.

Personally I have not the slightest doubt but that they will vindicate in no uncertain manner their faith in the principles on which our organization is founded. If these principles are to triumph, it will be necessary for each individual to put forth his or her best effort. The measure of our success will depend absolutely and entirely on the painstaking and determined thoroughness with which each individual supporter assumes his or her full share of sacrifice and responsibility. Some may think, what I do, or do not do, will not count for much, but remember that the influence of what you may accomplish will not be confined to the boundaries of your own district, whether you think so or not.

The same may be said in a larger sense of the constituency. The more complete and efficient we can make our organization in Last Mountain, the more effective and extensive will be our influence as a stimulating factor throughout the country.

It is the opinion of many political observers that after the election, the protectionist element in the Liberal party in Eastern Canada may align itself with the following of the present Premier in order to safeguard at all costs the interests of those concerns in Canada which benefit by a protective tariff. In the event of such an arrangement taking place, it is possible that the present Government would not be forced to resign, even although the present Premier will probably be returned on election day with the smallest following in Parliament. In view of all this, our only hope of success and relief lies in the realization on the part of all the people in this Association that they must move on the stronghold of special privilege everywhere, with intelligent, united, and relentless persistence. The breadth of our vision and the scope of our activities must not be confined to the boundaries of Last Mountain Constituency. The problems we have to face in this election are national problems. The conditions under which we live are to a very great extent affected by national legislation.

Consequently although we, as resident citizens of Last Mountain, can only mark our ballots for the N. N. P. candidate in this constituency, we are just as vitally concerned in the success of our cause in every other constituency in Canada. For this reason the constituency committee at its meeting on September 14 voted \$2,000 from the constituency funds to be at the disposal of the proper authorities, to be used in fighting our cause in other parts of Canada, if needed. The need for fighting funds is great in many parts of Canada, and even in the West many constituencies on account of repeated crop failures are very short of the necessary money.

The supporters of the New National Policy in Last Mountain during the past two and a half years have not been second to the supporters in any other constituency in Canada in their devotion to the cause which we all have at heart. Now that the supreme test of our faith in the principles of our organization is at hand, and when so much depends on the steady, intelligent, determination and energy with which each and every supporter prosecutes the fight ahead of us during the next two months, let us in Last Mountain apply ourselves with unceasing vigilance and determination to the task before us, and see that there is nothing left undone in any corner of the constituency,

however remote, that will help to ensure the complete and overwhelming rout of the forces of re-action.

At a meeting of the constituency committee held in Regina on September 14 it was decided to hold the nominating convention in Nokomis on Friday, October 14. The convention opens at 1.30 P.M. standard time. The Municipal Primaries and the meetings for electing delegates to the nominating convention are to be held throughout the constituency between October 3 and 10. Each polling division is entitled to send three delegates to the nominating convention.

Your municipal committee man will have full information regarding all matters pertaining to organization.

Remember that we need money. Every elector in your district should be given the privilege of making a financial contribution. Our opponents are backed by the powerful financial and industrial institutions of this country, and will have no lack of funds to carry the fight into every highway and byway of the Dominion. We have no wealthy corporations to contribute to our campaign funds, nor do we want any. We will have to depend on the widow's mite, and on the one dollar and the two dollar and the five dollar contribution from those who believe that this is the people's fight for the dawn of a better day.

We want to make Canada a better place to live in. We want to make it a country in which men will feel they are getting a square deal, a country in which those who toil will be rewarded with a fair measure of the product of their toil, and the happiness and contentment which will inevitably follow in the wake of REAL Liberty and Justice. I think that is the real deep-seated ambition of those men and women throughout Canada today who are working in this New National organization.

Our great opportunity is at hand. In two months from now the election will probably be over. Will you and I have no regrets? Will we feel well content that we left nothing undone which we could have done to ensure victory for our forces everywhere? That we put into the fight all of which we were capable.

Let us do what we can in every way possible, each in his own field. No one can do more.

Sincerely,

A. J. MCPHAIL,
Secretary, Last Mountain Constituency Committee.

APPENDIX II

EDUCATIONAL POLICY REPORT

The following suggestions are offered in the hope that they may be of assistance in working out and making effective a well-sustained, clear-cut, and definite organization and educational policy. For some time we have been coming to feel that the Association has been suffering from an inability to interpret to itself or to its members a reason for its existence. There have been too many loose ends. At one time the Association exists for the purpose of getting us a Wheat Board; at another to take or not to take political action. The Association seems to have been kept alive so far by expediciencies of one kind or another at different times; by something that would arouse the interest of the people for the moment, but which would not necessarily bind them permanently to the Association. Not that these questions are in themselves unimportant, but too little attention has been given in the past towards discovering and putting before the people the impelling motive that keeps the few loyal to the Association through fair and foul weather. The idea around which an educational policy should centre is that the only hope of the future depends on each individual realizing his or her own responsibility as a citizen. If any of our problems are to be solved, we ourselves must solve them.

There is no reason why a local in any community, the members of which realize that they themselves are the Association, and represent themselves, its ideals and policy, should not make a real contribution towards solving some of the many perplexing problems of today. The prevailing habit or idea of continually looking to elected leaders for light and guidance should be discouraged and everything possible done to get the people to do their own thinking. It is a very hopeful sign to meet an increasing number of people who, while tolerant of the views and opinions of others, will not allow others to do their thinking for them. When a majority of our members reach or even approach this state and at the same time come to a full realization of the interdependence of all, and that what is good for the community is good for the individual, a great step forward will have been taken. We must realize that the measure of our progress and the permanence of our usefulness will depend absolutely and entirely on the well-sustained and continuous effort of each individual unit of the organization. But effort is of little avail if it is spasmodic and scattered. It must be effectively organized and well directed.

In reading the reports from local associations to Central, it would appear that there is a lack of any well-directed or systematic educational and organization policy. A great many locals complain of a lack of interest in the community in Association work and some of a lack of readily available material on topics of interest. A very large number complain of not having had a visit during the year, or in many cases for a longer period, from a member of the Central Board. Few, if any, of the local associations feel themselves self-sustaining, and probably the time will never come when a

local community will not receive benefit and encouragement from the visit of an outsider, especially one who is an official of the organization and therefore probably more fully familiar with all phases of the work than a resident of the community. Besides, the personal association and contact of such work is important. We would recommend that an aggressive and well-planned organization campaign be entered into for this season and carried out by all the members of our Board. We believe that in carrying out this plan of campaign a director should not be asked or expected to sacrifice wholly his time and labour. The labourer is worthy of his hire, and in these times, if we do not recognize this principle, we simply put beyond the reach of many the opportunity for service which they could and would gladly render. If we expect definite and concrete results, we must plan in a business-like and practical way. For these reasons we recommend that directors be given an allowance of five dollars a day and railway fare while engaged in the organization. This would enable each director to give a fair amount of time each year without too much financial loss to his own business towards carrying out a well-planned organization campaign.

In planning and carrying out such a campaign arrangements should be made as far as possible for large gatherings at some central point. Possibly in some districts several locals could arrange to have a rally or convention, or perhaps the idea of an annual municipal convention could be worked out. Perhaps our idea of having an annual county convention could be carried one step further and annual municipal grain growers' conventions could be held in each constituency, thus enabling *all* the people in a smaller area to get together.

We would recommend that a substantial supply of the literature prepared in the Canadian Council of Agriculture offices be kept on hand in the Central Office and that the locals be kept informed at all times as to the literature available in Central.

The open shelf library should be strongly featured and every possible means taken to inform the people of the educational opportunity to which they have such easy access.

Realizing that the man who is most intimately acquainted with the work of the Association and what it stands for is its most loyal supporter, it would seem an essential part of our work to keep the locals and members as intimately informed as it is possible to do from time to time with all that the Association and the Canadian Council of Agriculture are doing or trying to do. This would have special regard to subjects discussed and decisions made at executive and Board meetings.

For purposes of creating more interest local papers are of great importance and could be used to good effect by directors in stimulating interest in their districts.

Perhaps the most important recommendation in our opinion which we have to offer is that a great deal more attention be given to the working out of an aggressive and comprehensive young people's policy. Viewing the Association from the standpoint of its future stability and permanence, we are quite sure that effort and money expended in such work will pay greater

dividends than like expenditure of time and money in any other phase of our work.

There are large communities of people from foreign countries scattered throughout Saskatchewan and to reach and work with these people in the most friendly spirit of co-operation should be one of our chief aims. As one means to this end we recommend that some of our Association literature should be printed in the languages which would most probably reach the largest number.

Believing that the men and women of our organization have each a distinct and equally important contribution to make to the cause of a more efficient citizenship, we recommend a closer co-operation between the men's and women's sections, thereby enlarging and broadening our scope of usefulness.

We feel that at the present time we must more or less feel our way, but for the purpose of giving at least some immediate effect to a more definite and aggressive policy for the season, we recommend that an educational committee of three be appointed and that someone in Central Office be appointed to work in co-operation with the committee whose particular duty it would be to give special attention towards directing a more aggressive educational policy amongst the locals.

APPENDIX III

MINUTES OF WHEAT POOL CONFERENCE HELD AT REGINA
July 23, 1923

A conference of representatives of the United Farmers of Alberta, the Saskatchewan Grain Growers' Association and the United Farmers of Manitoba, called for the purpose of considering the question of the organization of a wheat pooling system, was held in the Board Room of the Saskatchewan Co-operative Elevator Company, Regina, July 23, 1923, commencing at 11 A.M.

There were present: H. W. Wood, W. J. Jackman, and S. Lunn, representing the U.F.A.; J. A. Maharg, George F. Edwards, and A. J. McPhail, representing the Saskatchewan Grain Growers' Association; C. H. Burnell, D. G. McKenzie, and Peter Wright, representing the U.F.M.

Mr. H. W. Wood was unanimously elected chairman of the conference.

On the motion of Mr. Edwards, H. B. Cowan, of Peterborough, Ontario, W. Norman Smith of the *U.F.A.*, A. E. Darby of the *Saskatchewan Co-operative News*, and J. W. Ward, Secretary of the Canadian Council of Agriculture, were invited to be present at the conference.

On the motion of Mr. Burnell, seconded by Mr. Wright, J. W. Ward was appointed secretary of the conference.

Mr. McPhail stated that Mr. Brouillette, Vice-president of the Farmers' Union of Canada, had interviewed him and requested that representatives of that organization be permitted to take part in the conference.

Mr. Edwards moved and Mr. Wright seconded: That we invite Mr. Brouillette to sit in at the conference.

It was agreed that before inviting Mr. Brouillette into the conference there should be an exchange of views between those present with a view to arriving at an understanding on general principles.

After discussion, Mr. Jackman moved, seconded by Mr. Burnell:

WHEREAS the United Farmers of Alberta, the Saskatchewan Grain Growers' Association and the United Farmers of Manitoba have decided on the formation of voluntary pools for the co-operative marketing of wheat, and

WHEREAS it is desirable that there should be the fullest possible inter-provincial co-operation:

THEREFORE BE IT RESOLVED that this meeting pledges itself to endeavour to secure uniformity in the arrangements for organizing provincial wheat pools and the placing of all pooled wheat on the market through an inter-provincial selling agency. Carried.

Mr. Cowan briefly addressed the conference describing the recent attempt to form a cheese pool in Ontario under the auspices of the Ontario Government. He stated that Aaron Sapiro spent some time in Ontario and addressed a number of meetings in connection with this scheme and also advised the Government as to the method of organization. The scheme, however, had

proved unsound in several respects and it had not been found possible to secure sufficient contracts to put it into operation. Mr. Cowan added that Mr. Sapiro was a very eloquent and convincing speaker, but he was not fully conversant with Canadian conditions and was not as infallible as some people appeared to think.

A vote of thanks was passed to Mr. Cowan for the information which he had given to the conference.

The conference adjourned at 1.30 and it was agreed that the representatives of the Farmers' Union should be invited to attend the afternoon session.

The conference met again at 2.45, when Messrs. Brouillette and Laird, of the Farmers' Union of Canada, were present.

The resolution adopted at the morning session was read, and Mr. Brouillette then addressed the meeting. He stated that the Farmers' Union had no antagonism towards the Saskatchewan Grain Growers' Association, and they desired to co-operate in every possible way in meeting the insistent demand of the farmers for the organization of a wheat pool. He stated that the Farmers' Union had arranged with Aaron Sapiro to attend a conference at Saskatoon on August 6. Farmers' organizations, boards of trade, bankers, labour organizations, and other business interests were being invited to the conference and he hoped the organizations represented in the present meeting would send representatives. He further stated that if the plans put forward by Mr. Sapiro at the conference on August 6 were not found acceptable no one would be bound to accept them and Mr. Sapiro need not be further employed. If, however, it was thought desirable, Mr. Sapiro would be willing to remain for a series of meetings in the principal centres following the conference.

After discussion Mr. McPhail moved and Mr. Jackman seconded:

RESOLVED: That this meeting is in favour of the organization of the provincial Wheat Pools on a contract basis and that a committee be appointed to draw up, with the necessary legal assistance, a uniform form of contract for the three provinces. Carried.

The members of the committee were named by the representatives of the respective provinces as follows: D. G. McKenzie, Manitoba, W. J. Jackman, Alberta, and J. A. Maharg, Saskatchewan.

Mr. Wright moved and Mr. McPhail seconded:

That the committee appointed to draw up a form of contract be authorized to secure legal advice and draw up a proposed plan for the organization of an interprovincial selling agency and also to consider all matters of an interprovincial nature connected with the proposed pooling system, and to report to a future meeting of this conference. Carried.

On the motion of Mr. Burnell, seconded by Mr. Wright, the conference adjourned at 7.30 P.M. to meet again at the call of the chairman.

CHAPTER III

THE CAPTURE OF THE CITADEL

COMPLETION of the sign-up for the Saskatchewan Pool¹ marked the end of a long period of intense activity. The Farmers' Union and the S.G.G.A. had joined hands and, with the advice of Mr. Sapiro, the appeal was broadened to all growers and classes. In spite of the lukewarm, if not hostile, interest of the Saskatchewan Co-operative Elevator Company, the pool was established as an organization for handling wheat on a patronage basis.

The announcement that the campaign had reached its objective and that the pool was in operation was a prelude to the substitution of a permanent for the temporary Board. Economic units were adapted to a political structure. Each federal district annually elected ten delegates who elected a director to the Board making a large organization of 160 delegates with a Board of sixteen members. On **June 28, 1924**, "We had an executive meeting all afternoon" and again on **July 3**,

with Robertson, Wilson, Dundas and myself present. Laird and McDonald were in representing the Farmers' Union. They want Sapiro invited to attend the first meeting of the permanent Board. **5.** Spent all day in the office. Geo. Edwards was in all day. Had phone conversation with Geo. Robertson from 'Peg, also from Brouillette at Landis. Talked to Nicol of Elfros. Called Pool Board meeting for July 14. Farmers' Union Circular No. 37 appeared in the *Leader* this morning. It urges all Union men to support Union candidates for Wheat Pool organization. **14.** The Wheat Pool ballots were counted about 11.30. I was elected a delegate from my home district.

The total vote was 27,227.

July 15. All day at Wheat Pool Board meeting. We decided not to invite Sapiro to first permanent Board meeting, but to inquire if he would be ready to come shortly after that meeting. **22.** All the delegates arrived to meet at 10 A.M. We had a very good quiet meeting. I was elected director. **24.** Spent the day at the last meeting of the temporary Board. **25.** Permanent Board met for the first time. Spent the day going over what the temporary Board had done. Geo. Edwards was there and also Maharg. A very good bunch of men. We elected officers about 6 P.M. I was elected President, Brouillette, Vice-President. Harry Marsh and Wilson [and

¹See J. T. Hull, "The Story of the Wheat Pools" (*Grain Growers' Guide*, Sept. 24, and Oct. 1, 1924; reprinted *The Canadian Wheat Pool Year Book*, 1925).

Dundas] elected on the executive. Sapiro arrived in the city at noon. I called on him after supper. 26. All day in Board meeting. Sapiro was with us all day. I had supper with him and saw him off on the evening train for New York. 31. All day in pool Board meeting. We appointed Geo. Robertson, Secretary to Board. Adjourned. Meeting to be called next week by the executive.

Salaries² were fixed for elected and administrative offices: McPhail, \$4,000; Robertson, \$3,600; D. McRae, provincial manager, \$8,500; J. D. Read, office manager and treasurer, \$3,600. R. Miliken was appointed legal counsel. McPhail wrote to a grower on **August 10, 1925:**

We make no secret of the salaries being paid to the men working in this organization. We believe that this is a co-operative organization and that we should not be paying higher salaries than we are compelled to do. We believe, however, we must go out and get the best men we can secure to take charge of the various departments of our business. After we have made the selection we will pay them the salary necessary to get them.

²In a letter to R. Nicol, Elfros, **August 2, 1924**, he wrote: I received your letter of a few days ago. I may say that I was very glad to hear from you, as I appreciate the good wishes of the people of my own district more than anything else. I realize full well that I would not be in the position I am today were it not for the confidence of the people amongst whom I have lived and who know me best, and I am sure that I will always continue to prize their confidence more than anything else.

I may say that we are making very satisfactory progress with our organization work. Personally, I am more than pleased with the men who have been elected from the various districts to the Central Wheat Pool Board. I think it would be very difficult to gather together a more sane, level-headed bunch of men. We were in session for about six days continuously. Two of these days were taken up with conferences with the Alberta and Manitoba Wheat Pool Boards. The interprovincial conference was very successful, and the utmost harmony and goodwill prevailed throughout. I think the representatives from each province went home feeling that they had nothing to fear from the representatives in the other provinces, and that we were all animated by a desire to do the best thing in the interests of the wheat producers of Western Canada.

Regarding what you say in connection with my salary as head of the organization, I may say that I left that matter entirely in the hands of the Board, and it has been satisfactorily arranged so far as I am concerned, and I think so far as the Board are concerned. I think the reason you mentioned it at all was the fear that I might be reluctant to accept a salary that the Board might be willing to pay. I may say that I had no wish to better my condition financially. Any more than that I have nothing to say.

Again I would like to express my appreciation of the good wishes of yourself and the other people of my home district, and I would like you to convey to any of them who might be interested exactly how I feel regarding the confidence that they have placed in me.

So far as the elected representatives of the farmers are concerned, however, we are very much opposed to paying large salaries. These men, including myself, have been elected to our present positions as a result of the confidence that the farmers have placed in us and we feel that we should not, even if we were able to do so, insist on getting salaries in keeping with the salaries that are paid men with similar responsibilities in competitive business. I believe that the future success of this organization depends to quite an extent on a policy of this kind. If the farmers ever come to the conclusion that the men whom they have elected to positions of responsibility are in the work for the financial reward they themselves can get out of it they will soon lose confidence.³

Agreements were made with the United Grain Growers and other elevator companies and, after some difficulty, with the Saskatchewan Co-operative Elevator Company for the handling of wheat of the 1924 crop.⁴

August 11, 1924. Arrived in Regina in the morning. Had an executive meeting during the morning and part of the afternoon. Agreed that Dundas and I go to Winnipeg tonight to negotiate with the United Grain Growers for elevators. Dundas, Robertson, Marsh, Brouillette, and I went to see the Corinthians play Regina football. **12.** Arrived in 'Peg in the morning and registered at the Royal Alex. We had a very satisfactory interview with Crerar and Murray [United Grain Growers]. Mahoney and Chapman [Manitoba pool] were also present. **13.** We had interviews with Crerar and Murray again at 11 A.M. Made satisfactory arrangements for use of U.G.G. elevators for handling pool wheat. We met Jas. Richardson afternoon and met Manitoba men. Left for Regina. **24.** I went to the office

³He wrote in a letter to Mrs. McNaughton from Elfros dated **August 8, 1922**: "I am afraid this salary business is one of the real problems we have to face. The men who develop in our organization, and who gain experience and become efficient in the different lines of leadership are not content unless they receive as much as they can command in the commercial world. The people on the other hand, in whose interests they are supposed to be working, find it difficult to make ends meet by working long hours at the hardest kind of labour. It is difficult to make these people see any good reason for enormous salaries. I think it appears to the average farmer, that although these farmers' organizations were started with the end in view of bringing about better conditions generally for the people, they are very apt to develop into organizations which have for their main object the betterment of the condition of a few men at the head. Possibly the farmers are wrong, but they pay the bill and it is on them we have to depend for an organization if we are to have any."

⁴The Saskatchewan Co-operative Elevator Company was highly centralized. It had made maximum tariff charges on storage grain and had not met competition from line elevator companies. It was possibly less efficient than line elevators as it paid bonuses to local elevator agents. Every 60 shareholders had one vote at the annual meeting. Over a period of twelve years, of a possible 33 new members to be elected to the Central Board, 12 were elected.

at 11 A.M. Lefebvre and Robson were there and reported on Winnipeg trip. They had the completed U.G.G. agreement. I signed it with Geo. Robertson. Went to 'Peg in the evening.

Negotiations followed with the private elevator companies, with which Manitoba was particularly concerned.

August 25. Registered at the Fort Garry, where I met McRae. We went to the Manitoba Wheat Pool office and then to Smith's office. McRae and I attended the sitting of the Board of Grain Commissioners at 11 A.M. Arranged to meet the Committee of the N.W. Grain Dealers' Association Tuesday at 10 A.M. **26.** Dundas came down this morning. We met together with the Manitoba pool men, the elevator committee, but made no progress. **27.** Spent most of the morning in conference at the Manitoba Wheat Pool offices. McRae and I met Jim Murray and also Norman Lambert. We met the Elevator Committee again at 2 P.M. Did not make much progress. They want hypothecation on the grain. Adjourned meeting until Tuesday, September 2, with a preliminary meeting on Saturday, at 10 A.M.—McRae and I left for Regina. **September 2.** Arrived in Winnipeg and registered at the St. Regis. Spent the morning at the Manitoba Wheat Pool offices. After lunch we met the [Elevator] Committee of the N.W. Grain Dealers' Association at 2 P.M.—McRae, Brouillette, Dundas, Burnell, Chapman, Mahoney, and myself. We adjourned to meet again Wednesday at 2 P.M. Difficulty over hypothecation. We consulted Symington and retained him to look after our interests with Murray. **4.** McRae, Brouillette, and the Manitoba men with Symington finally came to an agreement with the elevator companies.

The struggle over interlocking directorates had left a legacy of bitterness with the Saskatchewan Co-op. Without interlocking directorates the opposition was sharply drawn.⁵ The Farmers'

⁵McPhail wrote to P. F. Bredt in a letter dated **July 23, 1925**: "The result of the Grain Growers' action, as well as that of the Wheat Pool, is that there is now no man in these organizations occupying a dual position. I think that it is a very healthy state of affairs, and I hope that the situation which existed in this province for a number of years, where one man was President of the Grain Growers' Association, President of the Saskatchewan Co-operative Elevator Company, and Minister of Agriculture at the same time will never occur again.

"We think that, for instance, if a man is a member of the Grain Growers', or the Farmers' Union executive, and also a member of the Wheat Pool Board, that it will be very difficult for him to take an independent stand on some particular questions which may affect both organizations. We think too that there are plenty of men in the country to fill all these positions, and it is best for the whole movement that as many men as possible be in training in the different positions in the various organizations. When a man is elected to a prominent position it is so very easy to consider him indispensable, and necessary in almost any position to which he can be elected. It is much more easy to take positions than to avoid taking them."

Union openly advocated that shareholders in the Saskatchewan Co-op. should favour the disposal of their elevators to the pool and this was resented. **"August 8, 1924.** Board meeting all day. We got a rotten agreement from the Co-op. **15.** Executive meeting in the morning. Our executive met the Co-op. Board to discuss elevator agreement. It was a very strained meeting, but was outwardly fairly smooth. We had by all odds the best of it. Had a pool executive meeting in the evening to discuss Co-op. agreement. **16.** Our pool executive met the Co-op. Board again after lunch. Adjourned to meet them again Monday if possible." A committee of Marsh, Brouillette, Wilson, and McRae was appointed on August 20 to meet a committee of their Board.

August 21. Our negotiations with the Co-op. Elevator Company are not going forward well at all. We have decided to try the other line elevator companies. **30.** Met Pierson of Tisdale. I told him our Board were unanimously in favour from the first of dealing with the Co-op. in the same manner as the Alberta pool dealt with the U.G.G. last year. We felt it is our own company as most of us are shareholders. We wanted the fullest measure of co-operation possible between the two organizations. We found that we were wasting time, and went to the U.G.G. with whom we did not have to waste 15 minutes in coming to an agreement. We are now negotiating with the line elevator companies and hope to sign them up next week. We have found the Co-op. the hardest company to deal with. We still want to deal with the Co-op. on any reasonable terms and have every desire to have the two organizations co-operate, but we will not sign any agreement that will prevent our organizations from developing in any direction which we think in the best interests of the pool and its members. We do not want to do anything that will hurt the Co-op. Elevator Company, but we feel that co-operation with the present officials will be difficult. **September 10.** Our Board met all morning and met the Co-op. Board at 2 P.M. and again at 7.30. We had some very straight talk. They did not want to sign an agreement to handle pool wheat, but could give no good reason for refusing. They promised to prepare a memorandum and present it to us tomorrow. Meeting broke up at 10.45. Some of us went bowling for awhile. **11.** Our Board met again all day to consider the Co-op. memorandum, which did not reach us until about 5 P.M. **12.** All day at the office. Wilson and Brouillette were in all day. We received a final letter in reply to our letter of acceptance from the Co-op.

As a result of the strained relations between the pool and the Saskatchewan Co-op., the former tended to be dominated by the policy of the Farmers' Union and by the advice of Sapiro rather than by the influence of the S.G.G.A. The higher charges of the Saskatchewan Co-operative Elevator Company ($\frac{1}{4}$ c. on stored to grade and 1c. on special bin) were discussed by the Saskatchewan

pool Board on October 9 and a resolution was adopted on October 10 that it would be "in the best interests of the Saskatchewan Wheat Pool that an elevator or elevators owned or controlled by this company shall be in operation in time to handle the 1925 crop."

October 21. Arrived in Regina at 7 A.M. We had an executive meeting all day with Brouillette, Marsh, and Wilson. Discussed elevator policy all day. **22.** We had an executive meeting all day. We appointed Brouillette and McRae to go to Chicago to see Sapiro re elevator policy. They took the evening train to Winnipeg. I spent most of the evening in the office. **28.** Spent all day in executive meeting. McRae had just returned from Chicago after seeing Sapiro re elevator policy. **November 13.** Board meeting. Discussed elevator policy all day and approved Sapiro's plan of acquiring elevators. **26.** Executive meeting all day. Discussed elevator policy at length.

The importance of Sapiro's plan warrants extended quotations.

No co-operative marketing enterprise can perform full service for its members unless it first completes its marketing organization, to the extent of securing 50 per cent or more of the producers of that specific commodity in that province or state; and second, unless it takes immediate steps, within its financial limitations, to acquire absolute ownership and control at primary points and at terminal points, of the physical properties in which the wheat is received, graded, handled, or stored.

Any other policy prevents the association or pool, as I shall hereafter term it, from giving complete service to its members as to grading, physical handling and shipping; and indirectly as to the building of a proper understanding and morale among the growers and the creation of a proper method of finance. . . .

The pool should acquire its own elevator facilities and thus reduce the points of conflict with present elevator owners. . . .

The time has come for the second step; and this step, the acquisition of physical facilities, must be undertaken in as blunt and large a way as the first original step in the marketing programme, namely, the contracting of one-half the entire wheat acreage of Saskatchewan.

As a matter of policy, I am strongly of the opinion that Saskatchewan must immediately work out and undertake the acquisition of a complete country elevator and terminal elevator system for the handling of the grain of the Saskatchewan pool. . . .

I recommend this plan as the best method, under existing circumstances, to secure an adequate elevator system for the pool, within the limitations of finance imposed by the standard contract.

The pool is authorized to make deductions for proper marketing purposes. It is likewise authorized to make a deduction for specific elevator purposes, which could amount this year, if the directors so instruct, to approximately \$800,000.

It is conservative and reasonable to assume that Saskatchewan is not likely to have another year with such small production as the crop of 1924;

and it is further reasonable to assume that the membership of the association will increase and that the deliveries will be in excess of forty million bushels every remaining year under the contract.

From this source the pool will have available for direct elevator purposes the sum of \$3,200,000, over a term of four years. . . .

The first deduction should be made by resolution during this winter; and the money would be available for any appropriate use next spring or summer at the latest.

In addition to that deduction, the pool is authorized to set aside one per cent of the returns each year for a reserve.

This should amount to approximately 1.4c. per bushel, or approximately \$600,000, for this year. . . .

But you must ultimately own, in absolute right, all of your necessary physical facilities; and whatever plan you adopt must be aimed to that end. . . .

Your first effort should be to acquire the property of the Elevator Company, because those properties are owned in the main by Saskatchewan farmers, the majority of whom are loyal co-operators and present members of the pool. . . .

I therefore recommend that you take steps to acquire from the Elevator Company its entire chain of country elevators; also its terminal elevators, including the projected elevator at Buffalo; and its land and buildings with furniture and fixtures at headquarters or other points, where such things are necessary or useful in the handling of the pool wheat, or in the administration of the pool and the elevator service.

The purchase of these properties at a fair value would require approximately \$6,300,000 and would have to be arranged by negotiations with the directors of the Elevator Company and approved by the stockholders at their next meeting.

The pool should agree to form a corporation to be called the Saskatchewan Pool Elevator Corporation, or any similar name. . . .

The ownership in terminal elevators could be shared by the three provincial pool corporations. I advise strongly against this sort of arrangement, however, because the local elevators are not likely to pay; and the profits at terminal points will be sufficient to offset any deficiency at local points and, in addition, to provide money for the payment of interest on the stocks and bonds and recorded deductions.

Therefore I advise Saskatchewan to go at this problem alone, on her own resources; but to do so on a basis that is so sound that it will form the model for the other two provinces. . . .

The pool directors must bear in mind that the groups which put out the *Co-Operative Magazine* do the printing for the present Co-operative Elevator Corporation; get the insurance for the present corporation; control the supply companies, which provide spouts, etc., and make repairs and do electrical work—all of these groups have not necessarily been favourable to the pool. . . .

If the pool could make an arrangement, it should then make handling

contracts from year to year; and as each year comes, it should set aside the full deductions for elevator purposes and for reserves.

Then it should pick out the strategic points and begin the actual erection of local elevators or terminals to handle the crop of members.

During the year 1925, the pool could well afford to build local elevators or terminals to the extent of \$1,400,000.

Plans should be made before spring, so that the local elevators could be completed, in modern style and at the most appropriate points, where membership is largest, before the 1925 crop is in.

Resistance of the Saskatchewan Co-operative Elevator Company was being weakened by pool sentiment among its shareholders.

December 8. There were quite a number of Co-operative Elevator delegates called during the day. A number of the directors were in during the evening. Great excitement over Co-op. annual meeting. **9.** Our Board met at 10 A.M. and sat until 1 P.M. Met again at 2.45 and adjourned at 3.30 to meet at 8.30 Wednesday morning. A large number of visitors all day. **10.** Our Board met at 8.30 and sat until 10 A.M. when they adjourned to attend the Co-op. meeting and meet Thursday morning at 8.30. I did not go to the Co-op. meeting. According to reports they had a very riotous time. **11.** Board met at 8.30 and adjourned at 10.30 to meet at 8 P.M. Thursday evening. I spent all day in the office and had many callers. **12.** McRae and I went to the Co-op. meeting at the Baptist church. McRae spoke first. I spoke for 25 minutes. We got a good reception. We went back after lunch and answered questions. Spent the afternoon in the office. Had talk with Chipman and went to the train with him. Fleming, Hawkes, and Sales were defeated, and Williams, Robinson, and McKenzie elected to the Co-op. Board.

With the election of men favourable to the pool, renewed efforts were made to secure close co-operation between the two farmers' elevator companies, the U.G.G., the Saskatchewan Co-op., and the pool. "**December 13.** Most of the morning I spent talking to callers. Everyone was elated over the election of Billy Robinson to the Co-operative directorate. Our Board sat until 6.45 and adjourned to second week in January. They instructed the executive to meet the Co-op. executive and negotiate for a co-operative elevator arrangement. The Central Board was also instructed to meet the U.G.G. **15.** We sent invitation to the Co-op. Board this morning to meet our executive to discuss elevator policy." In a letter to P. Broadfoot of this date McPhail wrote: "I believe very strongly that one of the greatest tasks that we have before us in the farmers' movements today is the complete unity of the three great commercial organizations. I hope, however, that in spite of these difficulties if we can have patience and work continually with one end

in view that we will ultimately reach our objective." A conference was held in Winnipeg on January 18. "29. Spent all morning at the office. Called to see Dunning and had a long talk with him about the Saskatchewan Co-op. Elevator Company, U.G.G., and the pool. 30. We had an executive meeting all morning. All present but Dundas. Had a conference with the Co-op. Elevator executive from 3 to 5. They did not like the idea of a conference between the three pools, the U.G.G., and the Co-op., but the impression I had when we left was that they would appoint one or two men to such a conference."

On **January 10, 1925**, "I had lunch at the Y.M.C.A. with Geo. Chipman and J. T. Hull. We discussed the situation as regards the two commercial companies and the pool. Chipman thinks it is inevitable that the three will get together sooner or later." On **January 13**, he wrote in a letter:

"The more experience I have in work of this kind the more I realize that what may seem clearly to be the best course to pursue today may when given further consideration not be the best possible course; therefore I am very much inclined to be very careful before taking any step in the way of buying elevators for the first year or so." 19. They are having a Co-op. Board meeting tomorrow. The Co-op. are evidently out to fight the pool. 22. Had long talk with Crerar during afternoon. He does not like the pools acquiring elevators. He thinks we should confine ourselves to selling wheat and gathering information. 31. Board met at 9.30 and at 10.30 McPherson, Burnell, Brownlee, and I went over to Crerar's office to have a discussion on closer co-operation between the pools and companies. Murray was also there. We discussed the question for two hours and decided to have a further conference Monday if the Co-operative Company would send a delegate. I wired Geo. Robertson to get in touch with them. **February 2**. We were to have met in the U.G.G. Board room at 9 A.M. as Mr. Crerar had arranged to leave for Ottawa at 11 A.M. No. 2 [C.P.R. Eastbound] was late, however, and it was nearly 11 A.M. before Maharg, Musselman, and Riddell arrived. The two M.'s acted like two sulking youngsters. In the discussions there was the utmost frankness and plain speaking on the part of Crerar and Rice-Jones while there was the usual fencing and ferreting and stalling on the part of the Co-op. men. Crerar is willing to discuss anything even to amalgamation while the Co-op. men will not get down to seriously discuss anything. They can do nothing but place difficulties in the way of any suggestion. Crerar had to leave for Ottawa and Brownlee for Edmonton, and I decided to go home and rest. The conference continues Tuesday with Tony McPherson, spokesman for the pools. Brouillette, McRae, and Burnell will also attend. I don't think they will get far for the Co-op. men will do nothing but block progress. I don't suppose there was ever a set of men who are so difficult to get along with. They do not want to do anything but retain the full identity of the Co-op. Elevator Company and thereby

retain their own lucrative positions. 5. I spent most of the day at the office. Brouillette and McRae were back from the Winnipeg conference with the U.G.G., Saskatchewan Co-op., and the pools. Great progress had been made the last two days. The Co-op. men changed their attitude completely from that of sullen obstinacy on Monday. It looks as if progress can be made this year in drawing these two companies and the pools together. The Co-op. men are no doubt being forced by a combination of circumstances to see that they must try for their own sakes to keep reasonably abreast of the undoubted sentiment which exists in the country regarding the unity of the various organizations in the farmers' movement. McRae and Brouillette are fairly optimistic. 18 [Winnipeg]. I spent all day attending a conference of the three pools and the two companies.

At this meeting the pools insisted that the farmers' companies should only handle grain not in the pool in carload lots while the companies insisted that this would deprive their shareholders who were not members of the pool of using their own facilities. "23. Lefebvre brought a copy of an article from an American paper describing trouble they are having in the tobacco pool in Kentucky which the Co-op. Elevator Company are distributing from their Saskatoon office. Marsh and Brouillette were appointed to see Riddell about it. He denied any knowledge of it." A final meeting was held on April 3. "Ramsay, Hutchinson and myself met the representatives of the two companies at 10 A.M., Crerar, Murray, Maharg, Riddell, and Musselman. We adjourned at noon to meet at 4.30. It is simply a winding-up conference as far as the three pools are concerned. We said Saskatchewan pool wished to continue the conferences. The Alberta pool representative withdrew as his organization found it advantageous to continue the co-operation with the U.G.G. The Manitoba pool, however, refused to co-operate."

The Saskatchewan pool decided on a policy of construction and acquisition.

January 16, 1925. We discussed elevator policy most of the day. 17. We finally appointed an elevator committee of the President, Lefebvre, Brouillette, and Wilson. **February 4.** Had a talk with Lefebvre and Wilson who were in on Elevator Committee work. 6. Attended Board meeting all day in Y.M. discussing mostly elevator policy. 7. do. 9. Board meeting all day. We decided to call a meeting of the delegates for February 26. 10. Executive meeting and an Elevator Committee meeting. 21. Spent all day in the office. I dictated my part of the Board report. 22. Worked on Board report. 23. Spent all day in the office. Executive meeting. Lefebvre was also in. We approved of the draft Board report to the delegates' meeting. 24. All day in Board meeting at Y.M.C.A. We made the

Board of the pool the Board of the subsidiary elevator company. I was elected President, Brouillette, Vice, and Moffatt, Robson, and Sproule, executive. We had a Board supper at the Queen's at 7 P.M. and we bowled the rest of the evening. 25. All day spent in Board Meeting discussing Board report.⁶

26. We opened our first delegates' meeting at 10 A.M. in the City Hall. We sat until 6.30 P.M. We considered the directors' report all day. Most important part was elevator policy, especially the relations of the two farmers' companies and the pools. I had a meeting of my delegates in my office in the evening. 27. Again all day in delegates' meeting. Debate on elevator policy took up all morning. The vote was almost unanimous for approving the policy of the Board and was made unanimous. After lunch we got over our remaining business rapidly. Decided to organize a Coarse Grains Pool. The meeting passed a standing vote of appreciation of the work of the Board. The results of the meeting were extremely satisfactory.

Difficulties with the farmers' companies and the success of the delegates' meeting increased the strength of Sapiro's influence on the Board. Controversy arose between those who favoured acquisition of elevators on a large scale and those who, like McPhail, were opposed to a rapid increase in fixed charges.

February 28. Arrived at the office at 8 A.M. and had a string of visitors all morning, also in the afternoon. Mr. Brouillette's interpretation of the elevator policy resolution passed at the delegates meeting is entirely contrary to mine, and he thinks it gives a mandate to acquire elevators without regard to the farmers' companies. **March 10.** We had an elevator executive meeting all day. Brouillette, Robson, and Sproule were present, also McRae, Robertson, and Marsh. The three men are opposed to the policy which I thought was decided on by the delegates' meeting. They passed a resolution recommending to the Board that they invite Sapiro here to confer on elevator policy. 12 and 13. Board meeting. Mr. Brouillette again introduced question of inviting Sapiro. Although the majority didn't want to, we decided to invite him to prevent Mr. Brouillette from resigning. We finished up at 6.30. Spent evening in the office.

The crisis which arose following an initial payment of \$1.00, and an interim payment of 35 cents in March, and decline in the price of wheat to \$1.36 had a sobering effect on elements in the pool anxious to expand elevator facilities and thus to increase the obligations of the organization.

April 8. Arrived in Regina at 9.30 for provincial Board meeting. We expected Sapiro in Regina today, but I just found when I got here that he would not be here. I was very glad for I consider it the veriest nonsense to be depending on the advice of a man 1,000 or more miles away. I would rather have the advice of a number of the members of our Board than

⁶See Appendix I, pp. 97-9.

Sapiro anyway. I gave a report on the conference with elevator companies on margins, the conference with U.G.G. and Co-op., and the conference with executive of the Canadian Council of Agriculture. 9. We had long discussion on elevator policy and took up the 850-word wire from Sapiro. There was nothing new in it. Nothing we did not know before. The Board are strongly in favour of paying as we go and not buying elevators on time. They think we must build up a strong reserve. The lesson of the past few weeks has been very good. It has shown what can happen unless we are in a strong position. Some members are still very radical and determined to go into elevator business on a large scale. 10. Good Friday. Read went south to gather information from U.S. pool. We had Board meeting all day until 6.30. We had another fight over elevator policy. The same four men seem determined to have their way after the Board has repeatedly made decisions. It is to say the least significant that 3 out of the 4 men on the Board who are opposed to the executive policy of the Board are on the elevator executive. What took place to bring about such a condition—to have to work on the executive with men who are so out of sympathy with the rest of the Board and men who are so impossible and unreasonable. We must proceed very carefully and conservatively while still progressing as fast as we can.

A moderate construction programme was worked out.

April 16. Pool elevator executive meeting. We passed on plans and specifications and on about 30 points for building. I think the Board are getting a little more careful and conservative. I feel strongly that we should go very slowly and carefully with the acquiring of elevator facilities. Our primary object is to sell wheat and everything else is incidental to that. We are going to let ourselves in for a lot of trouble when we get elevators, and those who are clamouring most for them now will perhaps be the first to become disgruntled. We want to get as few as possible this year, and still have enough to gain worth-while experience. **May 5.** I spent all day in elevator executive meeting. We decided to let contracts for 15 elevators to the Harper Construction Company at \$11,650.00 and 12 to Knutson for \$11,660. We sat until 12 p.m. 7. All day in the office. Caswell spent all morning in my office and we had lunch at Fells. He came down to draft the contract for building elevators. Geo. Robertson, McRae, and I spent a lot of time going over points for elevator construction—are having difficulty in getting sites at points where we had decided to build elevators. We were all back at the office until late. 16. Arrived in Regina at 10.50 and went to the office. Had discussions with McRae re Balgonie as an elevator point for building. 18. We had a pool elevator executive meeting all day with Robson, Moffatt, Sproule, Brouillette, and McRae in attendance. They approved of what we have done since the last executive meeting.

Ownership of pool elevators, as McPhail predicted, brought problems. **May 29.** Cameron and another man from Raymore were in about elevator policy. **July 16.** We had an elevator executive meeting in the evening. Sam James of Bateman and McKague

of Uren met the executive re elevators at Uren and Chaplin. **August 1.** Mr. Cluff of Raymore was in wanting an elevator at Raymore. **7.** A man was in from Leipzig wanting an elevator there. **10.** A delegation was in from Govan for an elevator."

While proceeding cautiously with a building programme further efforts were made to secure co-operation with the Saskatchewan Co-op. Elevator Company. On **May 7, 1925**, McPhail wrote:

I do not think we can follow the policy of non-conflict with the two farmers' companies indefinitely. I have very great hopes, however, that in the course of a comparatively short time if we pursue a sensible policy we will have the organizations under our control or at least a relationship established that will be to all intents and purposes as good as one organization. **20.** Board meeting all day. Took up most of the day in a discussion of our conference with the Co-operative Elevator Board on Thursday. **21.** We had an all-day session with the Co-op. Elevator Board. A very interesting meeting. Our Board left most of the discussion to me, while Riddell carried on the discussion on behalf of the Co-op. We asked them to lease their system to us and failing that, asked them to lease some of their elevators to us where we had a large sign-up and where the Co-op. shareholders were willing. Failing that, we asked them to become public warehousemen over their entire system or at these particular points. Milliken and I went to the Pantages and saw a very good show. **22.** All day in Board meeting. We decided to ask the Co-op. to lease us elevators where we had 80 per cent of wheat acreage pledged to the pool and where 85 per cent of the shareholders were willing. If they refused we would ask them to become public warehousemen at these points.

A resolution was passed "that this Board heartily commend the President on the very able manner in which he conducted the meeting yesterday. I greatly appreciate this."

May 24. Billy Robinson of Ituna and Wm. McKenzie came to my room about 10 A.M. Ramsay about 10.30. We talked until 1, about Co-op. and pool negotiations. **26.** Board met all day again. We spent most of the day in discussing and analysing the U.G.G. and Co-op. proposals for handling pool wheat. I think some of the Board are beginning to see a little daylight on this. Brouillette, Smythe, Sproule, and Robson will never agree to any agreeable handling arrangement with the Co-op. They cannot banish from their minds the men who for the time being are in control of the policies of the Co-op. Brouillette introduced a motion to invite Sapiro to our annual meeting, and one to rescind the 30,000 acre minimum at Co-op. points. Both were defeated. **27.** Our Board met again today, more for the purpose of remaining in session for the purpose of meeting the Co-op. Board or receiving their reply to our last communication re handling grain as public warehousemen at points where we have 80 per cent acreage signed and where 85 per cent of their shareholders are willing. We received their letter refusing. We then asked them to meet our Board at 4 P.M. but they replied they could not meet us

before morning. We agreed to meet them at 10 A.M. Thursday. **28.** Our Board and the Co-op. Board met all day and we had a very thorough discussion of the proposals emanating from the Winnipeg conferences. As a result of the day's discussions the dissatisfied element on our Board seem to be quite satisfied. It was the most satisfactory meeting we ever had with the Co-op. and has given me a great feeling of relief. This is the most important question our provincial Board will ever have to deal with. We must establish friendly relations with the farmers' companies. Such a step will pave the way for more complete unity in the future.

The more aggressive element from the Farmers' Union persisted in pressing for close adherence to Sapiro's recommendations.

May 17. I got up at 10 A.M. and met Thrasher and Robson at the office at 11. Geo. Robertson was there too and McRae called on his way from church. I spent the afternoon with the two Farmers' Union men. They want the pool to get Sapiro here to compose the differences between the various factions in the pool and the two farmers' associations. There is evidently trouble brewing in the F.U. over the pool's elevator policy. Geo. Robertson took us for a short drive just before supper. I went back to the office after supper and spent the evening there with G. W. R. and Sproule. **22.** The executive had a meeting at 7 P.M. with Fisher, Stoneman, and Laird of the Farmers' Union of Canada. I explained our elevator policy but they did not at all agree with it and I think they may, as an organization, oppose it. They are a bad bunch and I will not allow them to dictate as long as I am in my present position. **25.** The Board sat all day again. We discussed many matters, amongst them the elevator agreement for 1925-6. Brouillette read several resolutions passed by a meeting of his district delegates. He submitted his resignation as a member of the elevator executive which meant nothing. I told him it was the pool Board that formulated policies. The Board decided not to accept his resignation. Ramsay went to Ottawa on No. 2. **June 26.** Arrived in Regina in the morning and called to see Geo. Edwards and he told me of the rally north of Kelliher attended by McNamee and himself. McNamee made a vicious attack on the S.G.G. Association, the pool, and myself. I heard from other sources that the Farmers' Union are trying to discredit me personally. **July 25.** Geo. Robertson gave us a report of doings at the Farmers' Union convention. They passed a resolution opposing our elevator policy.

The heavy demands of business in the pool necessitated the development of an organization. On August 5, 1924, the first floor of the Union Bank building was rented but soon proved inadequate. **November 14,** "We had a report from Mr. Brown of Marwick and Mitchell on our office system which was very satisfactory." **February 24, 1925,** "We had a real fight over Saskatoon or Regina for the offices. Regina won by one vote." With this decision they decided to lease the Sherwood Building.

May 2. We finished moving over. We have the finest offices in town now. **4.** Suggested meeting of office staff or 8 or 10 of them for Wednesday night. **6.** I had long conferences with McRae and Geo. Robertson re office arrangements, and steps to be taken to get better organization and discipline. Talked to McRae of the necessity of knowing everything that was going on. **8.** We had a staff dance in the evening in the office. We had a good crowd and a very good time.

The problem of a manager became more urgent.

January 8, 1925. I took the 11.18 and arrived in Toronto at 1.30. Had lunch and phoned up Manning Doherty. I called on him and had a good talk about the pool and agricultural conditions. He is solidly behind Co-op. marketing and is a very vital man. I asked him to try and think of someone who could fill the position of general manager for the pool.

On July 17 the Board decided to invite him to become manager.

July 29. I met Manning Doherty at the train at 10.30 and took him for a drive. We went up to see the stock in the evening and afterwards drove until 11.30. I have a very great respect and liking for Doherty. He has the proper spirit and outlook on life. **31.** I went up to the grounds with Doherty after lunch. Left him at the Kitchener at 6 P.M. I spoke to him about coming to the pool as general manager. He considered it a great honour and said he would give it very serious consideration if the proposal were placed before him.

He later declined the offer.

August 8. Our staff went out on a special train to Lebreton for the first annual picnic. Tom Guild and I drove out, arriving at the picnic grounds at 1.30. It was showery until nearly 5 P.M. Everybody had a good time. Guild and I drove back, arriving in Regina 1.30 Sunday morning. The roads were very slippery between Qu'Appelle and McLean. **19.** I met with the office committee all evening—Moffatt, Ramsay, and Wesson. **20.** Rooke and Godfrey auditors were in for a short time. **21.** Office committee offered some suggestions for providing more close touch between Board and management. **29.** The staff had a corn feast at Hungry Hollow at 7 P.M. **October 1.** Our office staff put in their first evening bowling. **9.** We had a staff dance in the evening at the G.W.V. hall.

13. Ramsay came in in the afternoon. He and Dundas had a long talk with the auditors Rooke and Godfrey. Dundas, Ramsay, McRae, and I went to Winnipeg on No. 2. **November 7.** Executive meeting all day. We had Rooke and Godfrey and Tom Moffitt in and apparently came to a satisfactory arrangement as to the division of duties between the internal and outside auditors. **23.** Had long talk with Milliken. He is thinking of coming to Regina or quitting as counsel.

He moved down from Saskatoon. "**December 7.** I spent all day in the office. I got Read to show me around the office in the afternoon. Went to see the *Three Little Maids* at the Regina. Huntley, the comedian is one of the best I have ever seen. A very good enter-

tainment. 29. Harry Marsh was in. He is going to stay around while I am away east."

Such routine tasks as signing cheques⁷ were laborious.

March 23, 1925. Coates, Smyth, and Colburn signing cheques. Harry Marsh is busy signing interim cheques. **April 6.** There are quite a number of complaints from growers re interim payments. 17. I came back in the evening and signed cheques. 18. I spent all day in the office signing cheques a lot of the time. **July 27.** The 2nd interim cheques were all finished today and mailed. **September 1.** Signed final payment cheques. Spent evening at the office signing cheques. 2. All day in the office signing cheques part of the time. 3. All day in the office signing final payment cheques.

Office equipment was gradually installed.

May 14, 1925. Read was still in town and I was greatly surprised when he told me he had bought over \$12,000 worth of Elliot-Fisher machines. 18. McRae suspended the order for Elliot-Fisher machines costing over \$12,000 at my request until after the executive meeting tomorrow. 20. We appointed a committee of Ramsay, Moffatt, and Robson to inquire into the necessity of buying 8 Elliot-Fisher machines. 22. The committee reported in favour of buying the Elliot-Fisher machines.

Publicity was important as a means of consolidating public opinion, of increasing membership of the pool, and of combatting attacks. Arrangements were made to support the *Progressive*. **August 29, 1924,** "Harry Turner and Pat Waldron were in all day, also Bob Milliken. We had a long conference on publicity. **September 14.** Brouillette and I arrived in Saskatoon in the morning and spent the forenoon with Harry Turner and Pat Waldron discussing pool, Co-op., and *Progressive*." On October 9, the *Western Producer*, successor to the *Progressive*, was loaned \$3,000 and on January 14, 1925, \$2,500.

January 17, 1925. Board meeting again all day. We discussed publicity policy and organization of new contracts. We decided to make a grant of \$3,000 to get circulation for *Producer* if a feasible scheme can be worked out. **March 3.** I spent most of the morning at the Modern Press office with Turner and Waldron. **May 10.** Spent the morning with Harry Turner, Pat Waldron, and Hardy talking over ways and means to keep the *Western Producer* going. 16. Ramsay, Robertson, McRae, and I had a conference in the afternoon with Bill Hardy on financing the *Producer*. It appears the pool will have to take a hand in financially supporting the paper. On May 23, \$6,000 was allocated for publicity work.

We also had long discussion on organization especially campaign for new acreage. We agreed on all the plans for the campaign. **June 5.** I spent

⁷The payments were \$1.00 initial, 35 cents in March, 1925, 20 cents in July, 11 cents final in September, basis No. 1 Northern Fort William.

the evening at Turner's home with Harris Turner and Pat Waldron. **August 6.** Spent all day around the office. Harris Turner, and Pat Waldron were around the office all morning.—Spent the evening with [them]. We called at W. A. MacLeod's late in the evening. **30.** Came down to the office at 11.30. Turner and Pat Waldron came to the office about 12 κ. and later Geo. Robertson and Geo. Edwards, Buck Evans, Marsh, and Lefebvre. We had lunch at the Parkview. We talked of campaign for more subs. for the *Producer* and conference between F.U., G.G., and the pool. Spent evening with Turner and Waldron at my room. **31.** Spent the evening at the office. Gave Davisson our publicity man, an interview in the evening. **November 17, 18.** All day at the office, and on the 18th, went to the office for awhile, but took the 10.15 train to Saskatoon. Arrived in Saskatoon at 5 P.M. and was met by Wm. McKenzie, Co-op. Elevator Company director. We went over to the *Producer* office. I went home with Turner for supper. After supper, Turner, Waldron, Milliken, McKenzie, and I spent the evening in the *Producer* office. Took the 11.55 train to Regina. **February 26, 1926.** Put part of the afternoon and all evening in at the King's hotel with Harris Turner and Pat Waldron.

The efforts of the *Producer* were supported by organization in the country districts. Wheat pool committees of five were set up in the fall of 1924 around each shipping point. A field service department with a representative in each of the sixteen districts was organized. A campaign for increased acreage for the Wheat Pool and for membership for the Coarse Grain's Pool was carried on during the summer of 1925. The Coarse Grain Pool sanctioned by the delegates' meeting on February 26, 1925, led to a decision on March 11 to organize after 50 per cent of the average acreage of rye and flax and $33\frac{1}{2}$ per cent of the oats and barley for the past four years had been signed up by August 17. The decision logically accompanied the elevator policy and the organization of the country districts. **July 14.** Nearly all day at the office. Guild and I are trying to line up the field men to get some pep into the drive for coarse grains. **August 22.** The wheat contracts have been coming in remarkably well during the past two weeks. Coarse grains have also been doing well. **September 28.** Acreage today 19,000, very remarkable." Although the acreage decided on for the coarse grains was not reached, a pool was organized in the fall of 1925. On October 12, 1926, the Wheat Pool had 78,785 members⁸ representing 10,492,443 acres of wheat and the Coarse Grains Pool 37,312 contracts repre-

⁸A test of the validity of the contract was made in the prosecution of Mr. Zurowski. **"April 15, 1925.** It is very important that the first case for violation of contract be won." It was lost early in October but the decision was later reserved and the contract upheld.

senting 1,783,302 acres of oats, 371,333 of barley, 362,199 of flax, and 109,500 of rye.

McPhail kept in close touch with his own district and with the province.

March 24, 1925. I was in the office until 10 A.M. when I took the C.N. 10.15 to Battleford. Arrived at 9 P.M. Alex Menzies and Hughson, Wheat Pool, met me at the train and took me to the Armory where the farmers of the district were giving a smoker and concert to the business men of the town. It was a very good affair and they gave me a great reception. It lasted until 4 A.M. Alex Menzies came to my room and we talked until train time at 8.30 A.M. **April 24.** Arrived in Canora at 9.30 A.M. and was met at the train by Dr. Vessey. I stopped at the hotel and read the *Saturday Evening Post* all day. Went to Dr. Hirst's for supper. Spoke at the Canadian Club in the evening. A pretty good crowd and easy to talk to. Went home with Dr. Hirst after the meeting for an hour. Bert McClure came to my room after I was in bed to talk of an account owing him by the pool. **June 1.** I took the morning train to Lanigan where we had a delegates' meeting all afternoon and a public meeting at night. 2. Election day and I will have no vote. I left Charlie King's about 11 A.M. and drove to Naicam, a distance of 40 or 45 miles. It rained all the way. It is a wonderful rain. The crop conditions are as good as they could be at this time of year. I had a very good pool meeting at Naicam in the evening with about 80 men and one woman. The Dunning Government appears to have got in by a large majority. 3. I drove from Naicam to Watson. Got stuck in the mud as result of losing my chains. Got farmer to help me out. Had a fair meeting at Watson with attendance of 40. I came to Wadena on the train. Put in a very quiet time here all evening. 4. I spent all morning at Wadena. Mr. Thom and Mr. Wirtz came around. It rained all day. A Mr. Carlson of Winnipeg, representative of a Swedish paper, drove me out to Hendon, 10 miles from Wadena. There were about 60 people at the meeting. Got back at 8 P.M. Extremely heavy rain. 17. Left McIntosh's at 9.30 and called at old Mac's. Turner of the Poultry Pool was with me, or followed me. We had lunch at Foam Lake. Turner and I drove together to Tuffnell. Only about 25 attended the meeting. We had about 75 at the Foam Lake meeting. I stopped in Foam Lake over Sunday. 19. I drove to Gilbert school after lunch and had a fairly good meeting. My battery dropped out and I had to tie it up with a chain. After the meeting I drove to Kelliher where I had supper and then drove to Cupar.

ACQUISITION OF THE SASKATCHEWAN CO-OPERATIVE ELEVATOR COMPANY

The ownership of elevators raised immediate problems as to charges for the 1925 crop. "July 16. We discussed charges to be made in pool country elevators. 17. Spent all day on question of charges to be made in pool elevators. Finally decided no charge would be made when farmer delivered his grain. I am sure it is a

big mistake. A very great mistake. Board met in the evening. Brouillette again spoke of resigning." McPhail and others held that non-payment of charges by farmers shipping grain in pool elevators was a serious discrimination against those compelled to pay charges when shipping through non-pool elevators. It involved serious difficulties with other elevator companies.

August 11. Our Executive met Burnell and Mahoney all morning in Board room. After lunch we met the committee of the Nor-West Grain dealers, Godfrer, Nealin, and Dobel to arrange a handling contract. They put up some impossible conditions and we made little progress. After, we met and decided on the procedure in future conferences. **15.** McRae, Mahoney, Brouillette, Marsh, Burnell, and I had a meeting with Elevator Committee all morning. We agreed on most points but their request that we guarantee to make the same charges in our elevators. **20.** Board sat all day. We had a very warm discussion on resolution passed at last Board meeting [July 17] that no charge be made to pool members when they deliver their grain at country point. We rescinded the resolution.

The controversy emerged later in another form. "**October 24.** We had a Board meeting all day. We discussed the question of a patronage dividend to the growers patronizing pool elevators. I am deadily opposed to it. — with his usual stubbornness insists it is the only truly co-operative method. I am afraid he really knows little about true co-operation."

Difficulties with the Saskatchewan Co-operative Elevator Company were revived in reaching agreements for the 1925 crop.

July 3, 1925. McRae, Mahoney, and I had a meeting on the elevator contract. **28.** The executive were in session all morning. We met the Co-op. Elevator executive and Jim Murray of the U.G.G. in the afternoon and discussed elevator arrangements for the coming season. **August 7.** Our executive met the Co-op. executive and Crerar and Murray of the U.G.G. after lunch. **14.** Attended conference with two farmers' companies nearly all day. We didn't come to a final agreement but came to the place where we have something definite to go back to our Saskatchewan Board with for their approval or otherwise. **29.** The Co-op. issued a statement re our arrangement with them for handling pool grain which is misleading.

October 2. Had a long talk with Jim Murray about the future of farmers' companies and the pool. **8.** All day in Board meeting. Most of time spent in discussing Co-op. Elevator Company agreement. They are apparently not willing to agree to the things they agreed to a month or two ago, and in fact since the 1st of February. **13.** Marsh and I went over and had a talk with Mills, Musselman, and Peterkin re the Co-op. agreement for handling pool grain. They had no answer to our contention that our understanding with them was that any earning above cost of operating would be returned to the pool and not the patrons of the elevator. **20.** The Board met the Co-op.

Elevator Board all afternoon and again in the evening. 23. We also had a pool executive and an elevator executive meeting. 24. The executive met the Co-op. Elevator executive and I think completed an agreement⁹ for handling pool grain through the Co-operative Elevator Company's elevators."

A movement for the purchase of the Saskatchewan Co-op. by the pool began to spread.

October 11. I got up late and went to the office. Had long talk at the office with Fagan and Chas. King. Spent all afternoon in my room. Edwards called. Talked over forthcoming Co-op. Elevator Company annual meeting. There would appear to be a strong sentiment in the country in favour of the pool taking over the Co-op. If some satisfactory arrangement along that line is not made this year it will be very serious from the standpoint of future unity and strength for the whole movement. November 7. Riddell made a bitter attack on the Wheat Pool in the morning papers. We decided for the time being to ignore the attack. 12. I had a long talk with Jackson Dodds mostly about the situation between the farmers' companies and the pools. He is quite disturbed about the pools going heavily into debt at this time for handling facilities. He advises building up substantial financial reserves.¹⁰ I agree with him. 16. Co-op. and U.G.G.¹¹ are both spreading a lot of propaganda and laying particular emphasis on the supposed fact that the pool will handle nothing but pool farmers' grain in their elevators which of course is not true. I was always strongly in favour of operating our elevators as public warehouses and it is a good thing for the pool that the Board of Grain Commissioners ruled that we must take out a public licence. 19. I wrote an article in reply to Maharg's mis-statements about myself at the Nokomis

⁹See a copy of the agreement *The Canadian Wheat Pool Year Book, 1925*, appendix C, and for agreements with other elevator companies, appendix B.

¹⁰Loans had been arranged in the summer. "August 10. McRae and I went over to see Spears of the Bank of Montreal about the elevator loan. He was in bed. We want it for 6 per cent and the bank wants 6½ per cent. 15. I met Mr. McEachren of the Bank of Montreal re Saskatchewan Elevator loan. I told him we were thinking of dividing the loan between 3 banks if we had no good reason to put it all with the Bank of Montreal. 31. Spent all day at the office. Gordon and Dalton of the Bank of Commerce were in to see about the Pool Elevator Account."

¹¹The U.G.G. advertised a protest against the duplication of farmer-owned facilities in the *Western Producer*. See *The Record of United Grain Growers' Limited on the Question of Pool Marketing: An Answer to Misrepresentations*, issued by the Board of Directors, United Grain Growers, Ltd., at the annual meeting of the company, November 19, 1925. The farmers' companies insisted that the use of their facilities "should continue to be available for shareholders and supporters who had not yet seen fit to join one of the pools or who had joined the Wheat Pool, but not the Coarse Grain Pool or vice versa." See also *Relations of United Grain Growers, Ltd., with the Wheat Pools of Manitoba, Saskatchewan and Alberta* and minutes of the eighth annual meeting of United Grain Growers, Ltd., held at Winnipeg . . . November 19, 20 and 21, 1925.

meeting. I talked to Campbell of Nokomis about M.'s meeting. He said Maharg had spent the greater part of the time between 2 P.M. and 11.45 P.M. on his feet, but had lost out all along the line in his efforts to support the Co-op. Elevator Company's attitude to the pool. Delegates were there from Semans, Tate, Lockwood, Venn, and Govan. They passed a unanimous resolution against Maharg and in favour of turning over the Co-op. facilities to the pool.

The directors' report on the first year's operation of the pool was presented in October.

October 12, 1925. We opened our first annual meeting in the City Hall at 10 A.M. We had a very good meeting. **22.** We held our meeting today in the Baptist church. Very good meeting. Very little division of opinion on important matters. —was very lacking in tact and good taste a number of times. **23.** Again all day in annual meeting. We finished about 6.30 with a vote of confidence in the Board. We had Geo. Edwards (S.G.G.A.) and Stoneman (F.U.) address the meeting. I spoke to the field service men after supper.

After the annual meeting McPhail began to campaign in his district for re-election.

October 30. Arrived in Leslie at 11 A.M. Had lunch at Garland's. I spoke at a meeting in the hall at 3 P.M. Good meeting, about 35 present. Drove to Elfros in the evening and stopped at Dunc's. I spoke at a social in the Elfros hall in the evening. **31.** Spent the morning around Elfros talking to Nicol, Ole Johansson, and others. Dunc and I drove to Hamilton's after lunch. Roads were very bad. Spent the night at Hamilton's. They were very interested in the election and the results. **November 1.** Spent the day until 2 P.M. at Hamilton's. Drove to McIntosh's and had supper there. Called at Bob McDougall's and Old Mac's. Old Mac is looking well and apparently is no older than he was 17 years ago. He is 78. We got into Elfros about 10 P.M. **2.** Spent the day in Elfros, and took the 5.30 train to Winnipeg. **5.** Arrived in Regina at 10.30. I spoke to the Weekly Newspaper editors at a luncheon at 1 P.M. **8.** I had to correct proof of my speech to the Newspaper men. **16.** I spent the day at the office. The election returns are quite interesting. McNamee is running against Berven for delegate and no doubt intends to oppose me for director in the event of being elected delegate. Berven is leading him so far. The other directors appear to be all leading in their sub-districts. **27.** Took the 7 A.M. train to Lanigan. Met Broten and Northgraves on the train. Spent the day in Lanigan. Delegates met in the Hotel parlour at 2 P.M. and very quickly went through the agenda. They elected me director by acclamation on motion of Pappenfuss and Northgraves. Young, field man, attended. Met Henry Burwash. I took the 7 P. M. train to Saskatoon.

November 23. We had a Board meeting all day. The ballots had to be all in today at 6 P.M. All the old Board were elected as delegates but Mr. Bye, who did not run. **24.** We had a Board meeting all day. — and — were as usual determined to go right ahead more aggressively and with some

elevator building or acquiring policy. If these men had any of their own way and a few more, the pool would not last a month. Democracy is a great institution, but on account of the men thrown up sometimes, its institutions are very often in a very perilous position. But then I suppose under any system the same condition would obtain. I have still great faith in the common sense of the average man. 25. It is the last meeting of the old Board. **December 2.** We had the first meeting of our new Board today. I was re-elected President by acclamation. Brouillette, Vice-President, Catton and Sproule as new members of the executive, replacing Dundas who did not stand, and Wilson.

The strength of the movement for acquisition became evident at the annual meeting of the Saskatchewan Co-operative Elevator Company which began on **December 16.**

There is great excitement in town. I understand the company have between 40 and 50 field men who are around amongst the delegates. They must have spent a large sum of money in trying to influence the shareholders to leave the old Board in office. Jimmy Hamilton, Howard Smith, Jack Beckett, J. B. Johnson of Kandahar, and Dunc spent the evening at the office. 17. We spent all day in Board meeting. There were a large number of callers. The Co-op. annual meeting seems to be a very interesting affair. The Co-op. meeting passed a resolution instructing the Board to call a special meeting to consider selling to the pool. I consider it is of much greater importance that they elect a Board that is friendly to the pool. If there is a friendly Board, the selling to the pool is not so important.

McPhail's anxiety to avoid a purchase and an increase in debt was increasingly in evidence.

December 20. Billy Robinson and B. McKenzie came and spent a couple of hours in my room. We all think it would not be in the interests of the pool to buy out the Co-op. Elevator Company now that the Board is friendly to the pool. So long as we can safeguard the interests of the pool, we would be foolish to take on the heavy financial responsibility at this stage. 21. I was most of the day at the office. Marsh, Sproule, Brouillette, and Smythe were in. We had a meeting in the morning. Sproule talked a great deal and appears to think that as a result of the action of the Co-op. annual meeting last week, there is nothing now to do but make plans to take over the Co-op. system. I had a long talk in the afternoon with Dunning.¹² He suggested a plan of leaving the Co-op. shareholders in possession of their stock and the pool paying off the Government loan of 2,400,000 odd dollars and handing over our pool elevators worth 1,000,000 to the company. The pool would have equal representation with the company shareholders on the Board. I like the general idea, as it would relieve the pool at this critical time from assuming the very heavy financial responsibility of buying the Co-op. outright. 22. I had a long talk with Geo. Robertson and again with Geo. Edwards re the Co-op. pool situation. I am rather anxious about the future of the Co-op. and pool. I am sure if we can avoid taking over the Co-op.

¹²See Appendix II, pp. 100-3.

just now and avoid assuming such a heavy responsibility it will be much better all around, providing the interests of the pool are safeguarded.

January 6, 1926. I spent the evening before going to N.Y. with Brownlee talking over pool matters, particularly the relationship of the two old companies and the pool. 11. I spent the evening at Norman Lambert's house discussing Co-op. Elevator's Company's relations with the pool. 13. I had a talk with Jackson Dodds in the afternoon. Dundas, Ramsay, and I went over and had a talk with Jim Murray, also Brownlee. Later we saw Crerar and had a long talk re the relationship of pools and two companies. We did not seem to be able to agree on one or two essential matters. We left Winnipeg for Regina on No. 1. 14. Arrived in Regina in the morning. Ramsay and I went up to the office and spent the morning talking over Co-op. and pool. 15. A great part of the time discussing pool and Co-op. Elevator Co. relationship.

On the same day he wrote to Mrs. L. Burbank:

I am very much concerned that the relationship shall be one of complete co-operation, if not absorption and that a conflict at all costs shall be avoided. 16. I had a talk with Dunning in the morning re Co-op. and the pool. It is always refreshing to have a talk with Dunning on any matter. Also had talk with MacLeod. Had lunch with Geo. Edwards at Kelly's. Harry Marsh and Billy Robinson spent most of the afternoon in my room discussing future relations of pool and Co-op. Robinson is one of the finest men I know. We are very fortunate in the five men on the Co-op. Board who are friendly to the pool—Robinson, McKenzie, Ketcheson, and Riley. He says Mills is taking a very fine attitude. Had talk with Gordon Brown at the office with Marsh and Edwards. 17. Spent the day in town. Billy Robinson came to my room in the morning 10.30. Also Geo. Edwards, Robinson, and I had lunch at Edwards', also Professor Fay. I went to the office and had talk with Geo. Robertson re offer to buy the Co-op. Had supper at Edwards' again. Fay, Mr. and Mrs. Osborne were there. 20. Board meeting all day. Strenuous day discussing Co-op. sale. We met their Board all afternoon. There is a much more friendly atmosphere on the Co-op. Board to the pool. 21. Board meeting all day. I tried twice this week to introduce the possibility of a warehousing scheme that would relieve the pool from buying and going into debt.¹³ There was no response from the Board. I went up to the Buildings after supper and saw Dunning re the attitude of the Government towards their loan in event of the Co-op. selling to the pool. 22. We met the Co-op. Board again at 10 A. M. at their request. They wished to let us know that there was a value attaching to their system other than replacement value. Met as a Board all afternoon. 23. Board meeting again all day. The Co-op. deal committee sat for considerable time and drafted an offer that finally passed the Board. I am absolutely opposed to buying the Co-op. as I think we can get the use of their facilities without assuming such a heavy financial obligation. Board adjourned until Monday morning. 24. I got up late and had a light breakfast at the Parkview. Spent the day in my room. Billy Robinson and B. McKenzie and Bibby of Prince Albert came

¹³See Appendix II, pp. 100-3.

to my room in the afternoon and we discussed the sale of the Co-op. to the pool. We all agreed it would be very foolish for the pool to buy the Co-op. at this time. I went to Knox in the evening and heard a poor sermon. 26. Board meeting all day. We met the Co-op. Elevator Board nearly all day. We adjourned to Wednesday, February 3. The Board were completely fed up. There seems to be a definite division of opinion on the Board which is going to make it difficult to carry on. 28. Spent the day in Saskatoon. Had lunch with Mills (President of Saskatchewan Co-op.) at the Hudson Bay.

In a letter to Ramsay, dated **February 2**, he wrote that Mills "Said he would do anything to meet the pool in the way of giving them control over the direction of grain, even to the point of operating the elevators at a cost plus a reasonable interest basis. I do not know what more we want at the present time." Ramsay was in general agreement. "I may say I am absolutely opposed to the purchase of *any property* for more than its worth to the pool." The move would involve a large encumbrance and weaken the credit of the pools.

The influence of Sapiro in favour of acquisition of the elevators persisted and contributed to McPhail's defeat. He wrote to McPhail on **January 14, 1926**, "The absolute acquisition by purchase and ownership of these properties will be your greatest single achievement toward the permanency of your pool and the ultimate success of all your great efforts."

February 3. Arrived back in Regina on the morning train and attended Board meeting all day. We considered all day offer to purchase the Co-op. Elevator Company. Bad time. 4. Board meeting all day. Hard time again. The Brouillette element seem to be in the ascendancy for the time being at least. 5. Board meeting all day. We met the Co-op. Elevator Board in the morning and went over with them the draft offer to purchase their system. We finally got through a resolution to submit the offer to our delegates for ratification. 6. Board meeting again today. We decided to call in our delegates at once. We adjourned at 6.30 to meet Monday, February 15. The Brouillette element did not want a meeting and put the responsibility for calling one on me and others who insisted on having a meeting. I assume the responsibility gladly. 8. I got up late and went to the office. Had talks with King, Newsome, Guild, and Robertson re delegates' special meeting. I walked up to Parliament Buildings at noon with Clark. 9. All morning at the office. Had lunch at Parkview with Geo. Edwards and Wm. Robinson. Had long talk with Dunning in the afternoon re purchase of Co-op. system by the pool. He intimated quite clearly that he was going to Ottawa [as Minister of Railways and Canals] shortly. He said the Government would do anything it could (in keeping with safeguarding its money) to facilitate the sale if the two organizations agreed.

13. Arrived in Regina at 9.30. We had an executive meeting all day to

consider Board of Directors' Report to delegates' meeting. We couldn't agree at all. 15. We had a Board meeting all day. I met Hughson and McDermid, two of Wesson's delegates, on the street at noon. I gathered they are opposed to Wesson's stand [in favour of purchase] on the elevator question. Also met Turnbull and Fred Edwards, two of Marsh's delegates. They appear to be very sane. We spent most of day on Directors' Report. The minority spoke of a minority report, but I do not know yet what they will do. I think there will have to be a clear-cut show-down at the meeting on Wednesday. 16. We had a Board meeting all day. Delegates were dropping in all day. Nothing eventful happened. I had a meeting of my delegates from District 14 in my office in the evening. They apparently agreed with me that the time was not opportune to buy the Co-op. Elevator Company.

17. We had a delegates' meeting all day in the First Baptist Church. It was a very tense day. We went over the offer to purchase the Co-op. and then debated the advisability. Nearly all the talk was favourable until I left the chair and expressed my views against as clearly as I could. I knew when I did it that the majority of the delegates were opposed to me. They gave me a very attentive hearing, however. I went down to the Wascana for a while in the evening. There was great excitement in the Rotunda of the hotel. 18. Delegates' meeting all day again. — made a strong speech of its kind in favour of purchase using all the arts of the demagogue of which he is capable. We had Mills, President of the Co-op. over after lunch to speak, but he did not contribute anything in the way of letting us know what the Co-op. would do by way of an alternative. We took the vote late in the afternoon on the offer to purchase, and it carried by 98 to 46. 19. All day again in delegates' meeting. We finally decided to call the delegates in again at the discretion of the directors in the event of the Co-op. turning down our offer to buy. — made another of his typical speeches. 20. We had a Board meeting all day. It was the quietest meeting we have had for a long time. We adjourned at 6 P.M. I hope we will be free from Board meetings for some time.

The decision to purchase the elevators from the Saskatchewan Co-operative Elevator Company¹⁴ was followed by negotiations.

March 1. Brouillette, Marsh, G. W. Robertson, Donald McNiven, and I met the Co-op. Elevator Board all afternoon and discussed the agreement to purchase their system. 2. All day around the office. I had a talk with Spears of the Bank of Montreal at his office re the \$500,000.00 to be paid down on Co-op. Elevator deal. 3. Municipal Convention opened today. We had a brief Board meeting after lunch to pass two resolutions in connection with Co-op. deal. Only nine members present. 4. Bob Milliken and I interviewed Premier Gardiner [following Premier Dunning's departure for Ottawa] re the attitude of the Government to the mortgages they hold on Co-op. system in event of purchase by the pool. He was quite friendly and

¹⁴See *Twelfth Annual Report of the Commissioner of Cooperation and Markets* (Regina, 1926).

indicated they would do what they could to facilitate the deal if the Co-op. and the pool agreed. They would, of course, have to have adequate security. He said the Government should be paid off before the end of the next contract term. I attended the evening session of the Municipal Convention. They had a good programme and an address from Gardiner. 5. Spent all day at the office, and a little while at Municipal Convention. We had a large number of callers from amongst the municipal delegates. We had short Board meeting to go over final draft of offer to purchase the Co-op. 6. All day in the office. We went over the final offer to purchase the Co-op. again with Milliken. Geo. W. Robertson and I signed the copies of final draft and had them sent to the Co-op. Milliken and McNiven spent all week on this offer. A considerable part of the time in consultation with Hugg, counsel for the Co-op. 16. All day at the office. Mills, President of the Co-op., came over in the afternoon and we had about a two-hour talk over the Co-op. and pool situation. He is opposed to the sale of the Co-op. facilities. 17. We had a Board meeting all day. Brouillette tried to make trouble over the fact that we had made some changes in the offer to purchase the Co-op. Elevator Company with a quorum of the Board. He didn't get any support except from Wesson. I came home early and went to bed. 25. I had lunch at the Marlborough with Mr. Gray of the Canadian Appraisal Company [same entry April 2]. Met Mr. A. L. Crossen and talked arbitration for Co-op. deal. 26. Moffatt, Robson, Wilson and I had a committee meeting a great part of the day over the selection of an arbitrator. We finally agreed to recommend Mr. W. G. Styles to the Board.

McPhail wrote to Mrs. McNaughton on **April 3, 1926:**

It looks very much now as if we are going to buy the Co-op. Of course you can never tell until the meeting. I am personally now anxious that the deal will go through in spite of any previous stand. I feel that with sentiment as it is just now throughout the whole province we will have to face a very serious situation if the deal does not go through. If, for instance, 65 or 70 per cent of the delegates vote for sale and 30 or 35 per cent is able to block it you can realize the great difficulty we would have in avoiding a conflict between the two organizations. In any event the terms of our offer are such as to free us of any probable chance of embarrassment in meeting payments. If it does go through we will have behind us the one thing that has caused more trouble than any other so far.

I have not changed my mind about the developments I would like to have seen take place but we must face situations as they arise and deal with conditions as they are. I feel that some are inclined to think that my changed attitude on this question is a desire to climb on the band wagon. Well, I have heard of strong men taking a strong stand against public opinion and winning out. I have thought a lot along that line. If such a thing has taken place in the past was the result for the people better than if they had their own way? I think it is doubtful. I think too we are living today under entirely changed conditions and the man or men who try to set themselves up against the majority wish of the people are very apt to get steam rolled out of existence.

The people today are different to what they were 8, or 10 or 25 years ago. They are more widely awake. They are doing more thinking for themselves than ever before. Perhaps some wrong thinking but that does not matter so much. They are not any longer going to allow any man or men to think they know better what is good for them. They may make mistakes but they will be their own mistakes and will be better for them than if some one tried to think for them too much, and probably be just as apt to be mistaken. We never know for sure if we are absolutely right. The sale at this time may be the best thing after all. At any rate the vast bulk of the farmers want it and I am inclined to think a great deal more harm than good would be done by trying to balk them. We will have a very interesting time next week. I expect the Co-op. meeting will be a very exciting one. We are having a provincial Board meeting on the 9th and 10th, a meeting of the three Boards on the 12th and 13th, and a central Board meeting on the 14 and 15th.

April 6. Had lunch with Bill McKenzie of Co-op. Board at the Parkview. He has come to the conclusion that it will be serious if the Co-op. delegates' meeting does not decide to sell. **7.** We had an Elevator executive meeting all day—Moffatt, Brouillette, Sproule, and Robson in attendance. We didn't do much as Brouillette was unwilling to do anything in the way of selecting points for acquiring elevators until we knew whether or not the Co-op. deal is going through. He said some nasty things about the dickering and wire-pulling that took place last year in connection with elevator policy. He of all men on our Board should have little to say about wire pulling. **8.** Bob Milliken, Campbell, and I interviewed the Government re Co-op. deal and attitude of the Government. They seem fair. Board meeting all day. **9.** Board meeting all day. The town is quite excited over the special meeting of Co-op. delegates which started this morning to deal with the pool's offer to purchase. **10.** Board meeting all morning. We met after lunch but adjourned until Monday at 9 A. M. The Co-op. meeting ended about 6 P.M. They decided to sell to the pool by a majority vote of 82.6 per cent. If nothing happens, this should end the difficult situation between the Co-op. and the pool. If we can arrange our own organization so as to insure good management there should be little difficulty. I went to a show in the evening with Ira O'Dell. **11.** Got up at 9.30. Cook of the *Leader* called me on the phone. I went down and gave him a short interview about the sale. He has been very good in leaving me alone, and I think I should do something for him once in a while. Wesson, Marsh, Moffatt, Raeburn, and I went to Knox in the morning.

He wrote to Mrs. McNaughton on **April 18:**

The Co-op. special meeting is over and the result can leave no doubt in anyone's mind regarding the strength of sentiment in the country. The delegates had evidently given a great deal of consideration to the question before they came down. They had evidently come to the conclusion that the facilities must be transferred and that a great deal of consideration had been given by the pool Board to the details of the offer made and were in no mood to consider any amendments or changes. They had their minds made up what they wanted to do and nothing could change them. When the past

few years are reviewed it is quite a lesson in what a thwarted people will do once they start.

As a result of the situation created first in the G.G. Association and later in the elevator company by Musselman and Maharg & Co. the people could not be satisfied with any half measures but were determined to make an absolute house-cleaning. After all it cannot be wondered at and perhaps it is best. I was greatly relieved last Saturday when the result of the vote was declared. If the offer had been turned down by say 26 to 30 per cent of the delegates we would have had to face a very difficult situation indeed. Now we have the problem of the relationship between the two organizations out of the way and can set ourselves to deal with the problems within our own camp.

April 13, 1926. Our provincial executive met the Co-op. Elevator executive at 2 P.M. to discuss the Government mortgages on the elevators. We decided to meet the Government together as soon as convenient to the Government. **14.** Campbell, Milliken, and I met the Government at 11 to 12.30 with the Co-op. executive also Riddell and Hugg re the Government security on the elevators. I met Mills during the afternoon re the tenders for building the additional 1,000,000 bu. storage on the Buffalo elevator. The Board decided to go ahead with the Annex. **15.** Provincial Board meeting all day. The Board sat in the evening as well in order to get through if possible. **16.** The Board were again in session all day. Adjourned about 6.30. **17.** Pool executive meeting all day. We had a visit from C. D. Howe re the Buffalo terminal. Mr. Howe has been appointed arbitrator for the Co-op. Elevator Company. We also had an interview with Mr. Styles, our own arbitrator. We adjourned about 5 P.M. **20.** All day at the office. Gray and Wiggs of the Canadian Appraisal Company were in most of the day. **May 3.** Geo. McIvor and I went to Buffalo. We arrived in Buffalo about 1.30 and went to C. D. Howe's office, where we met Mr. Chandler, engineer. He took us over to the Co-op. office where we met Mr. De Grey and Mr. Wilson. Wilson took us all in his car to the Co-op. terminal. It seems to be a very fine plant and I think is situated in the best place (lake front) for our business. The contractors are just beginning to work on the new addition. Chandler took us to the Club until train time. A very fine place. I got back to Toronto at 10.30. McIvor went to N.Y. **5.** I visited the office of the Canadian Appraisal Company and got an assurance from the manager that they would speed up the work at Buffalo and Port Arthur. **12.** We met Messrs. Howe and Styles the arbitrators at the Canadian National Elevator. **June 12.** Arrived in Regina in the morning and spent most of the day in the office. G. W. Robertson told me of all the recent developments re Arbitration, etc. **July 12.** The counsel on both sides presented argument to the Arbitration Board.

The arbitrators (Mr. Justice Turgeon, C. D. Howe, and W. G. Styles) presented a majority award, with Mr. Styles the pool representative dissenting, of \$11,059,310, nearly twice the estimate of

Mr. Sapiro. Shareholders of the Co-op. found shares which cost \$7.50 representing an equity of \$155.¹⁵

The substantial award imposed a burden of fixed charges on the earnings of the pool. In spite of the fears of McPhail and others the burden had been assumed. Union between the pool and the Saskatchewan Co-operative Elevator Company had been achieved. The insistence of Sapiro and the interests of unity necessitated a generous offer on the part of the pool. The element of goodwill was capitalized at a high price and the charges were carried by the new organization.

During the year ending July 31, 1926, the pool handled 129,713,-876 bushels of wheat and 11,349,174 bushels of coarse grains. It paid to growers \$176,379,099, and set aside a commercial reserve of \$907,113 and an elevator reserve of \$2,594,267. Provincial legislation was introduced to strengthen the position of the pool in Chap. 37, 1925-6 (the Cooperative Marketing Associations Act).

December 8. We had an executive meeting to consider legislation for a Co-op. Act. **18.** Bob Milliken, Harry Marsh and I met the Government in the morning re Co-operation and legislation. We got a very friendly hearing tho' we got no promise that any of our recommendations would be incorporated in the new Act. **January 19, 1926.** The Board went up to the Legislature in the afternoon to listen to the debate on the Wheat Pool Bill. Donald McNiven introduced it. He did very well. Sykes and P. Hyde opposed it strenuously. **21.** I listened with Geo. Barr to the debate on the second reading of the Wheat Pool Bill. McNiven again did well and got the best of Dunning.

The chief contentions between the Farmers' Union and the Saskatchewan Grain Growers were finally stilled by the amalgamation of the pool and the Co-op. and attempts were made to unify them.

October 6, 1925. Geo. Edwards, Geo. Robertson, Mr. Stoneman, and I had a conference all morning in the Grain Growers' office re amalgamation of the G.G. and F.U. Possibility and probability of the amalgamation of the two organizations seem good. There appears to be nothing in the way but the re-organization of the Canadian Council of Agriculture. Both Presidents agreed it would be well to have a joint convention in January. We had lunch together. Mr. Sharpe, Assistant General Manager of the Bank of Montreal, was in. **November 28.** Mrs. McNaughton, Turner, Waldron, and Thrasher are very anxious I should act as chairman of the amalgamation committee. **December 1.** I was all day at the meeting of the F.U. of

¹⁵C. R. Fay, *Co-operation at Home and Abroad, 1908-1938* (London, 1939), p. 322.

Canada and S.G.G. Association amalgamation committee. I acted as chairman. — was very unreasonable. He is a very difficult man to negotiate with because of his unreasonableness and blatant egotism. Under the circumstances, and provocations, Edwards and the G.G. representatives handled themselves well. **January 15, 1926.** Spent all day around the office. Rodgers and Conlin were in for some time discussing amalgamation of the G.G. and F.U. **27.** I arrived in Saskatoon in the morning and registered at the King George Hotel. I spoke at the G.G. Convention in the afternoon. **29.** The day again in Saskatoon. Attended the joint convention of the F.U. and S.G.G. They asked me to act as chairman. I refused¹⁸ and suggested Burnell. **June 9.** Arrived at Saskatoon in the morning. Met Billy McKenzie of Mervin. We spent the morning talking Co-op. and pool. I met the 11.30 train and Mrs. McNaughton. We had lunch and spent several hours talking over all matters connected with the farmers' movement. Visited the F.U. office and had talk with Thrasher and Stirling. Visited also the *Producer* office and had talk with Turner and Waldron.

In a letter to Sapiro of July 3, 1926, McPhail urged him to stress the amalgamation of the F.U. and the S.G.G.A. in his speech at Saskatoon, July 14, 1926. "**July 30.** Pat Waldron and Harris Turner were down to the first meeting of the committee of the United Farmers' of Canada, Saskatchewan Section."

¹⁸In a letter to Mrs. L. Burbank of January 15, 1926, he wrote: "They have asked me to act as chairman at the amalgamation convention. I am very reluctant to do so, because I have to act in that capacity too much already for my own taste."

APPENDIX I

EXTRACT FROM THE REPORT OF THE BOARD OF DIRECTORS TO THE
EXTRAORDINARY GENERAL MEETING OF DELEGATES
February 26, 1925

At the first meeting of the permanent Board held on July 25, and the following days, the question of control of pool wheat in country elevators received very considerable attention. Owing to the close approach of the marketing season, and after discussing the question from all angles, it was finally decided that temporary arrangements should be entered into with the elevator companies for the handling of the 1924 crop.

At the same time, the executive were instructed to initiate such steps as would secure control of elevators for the handling of pool wheat at the earliest possible moment.

Negotiations were immediately started with the elevator companies operating in the province. These negotiations covered a considerable period, and it was September 8 before the pool was able to announce that it was in a position to accept delivery of wheat.

Warehouse facilities were, of course, under the complete control of the grain trade itself, and we were not able to secure that control over pool wheat which we considered necessary to the success of the pool method of marketing.

In our agreement with the elevator companies we were compelled to concede to them the right to ship pool wheat which they handled, through their country elevators, to terminal elevators which they themselves might select.

From the experience gained this season, your Board are of the opinion that there must be a greater control over pool wheat. The pool must be in a position to ship its own wheat, either to terminal points, or to mills which we ourselves may select.

Your Board of Directors were of the opinion that this whole matter should be submitted to a full meeting of the delegates before further definite steps are taken.

A policy of owning or acquiring warehouse facilities will probably involve the expenditure of large sums of money.

The delegates have been elected by the vote of the contract signers to represent them in the conduct of this business, and it is proper that they should be asked to share the heavy responsibility which is involved in such a forward step.

The more this responsibility is realized, the more apparent will be the necessity of guarding against hasty or ill-considered action.

In any large business organization such as ours, it is found that there are many angles from which any suggested line of action can be viewed; there are many factors, the influence of which cannot be accurately, or in some cases, even approximately determined; and great thought and care must be exercised in laying down important matters of policy.

This question has received the attention of your Board at every meeting since it was elected.

In considering an elevator policy, your Board have always kept in mind the fact that there are two large elevator companies now operating in Saskatchewan owned by farmers, namely, the Saskatchewan Co-operative Elevator Company, Limited, with a line of 435 houses, and the United Grain Growers, Limited, with 65 houses.

We are of the opinion that it is in the best interests of all of the farmers in Saskatchewan, as well as in the best interests of the pool, that these great commercial institutions should work in close co-operative relationship, looking towards complete unity with the pool at as early a date as possible.

With this end in view, at its January meeting your Board laid down a policy as follows: "That as a general elevator policy, and reserving the right to vary this policy from time to time as might be required in the best interests of its grower members, the Saskatchewan Wheat Pool should now proceed to acquire control of elevators at points not now served by farmer-owned elevators."

At this same meeting an Elevator Committee was appointed to work out the details of this policy and during the past few weeks they have secured a considerable amount of information.

There are certain points in the province now served by a farmer-owned elevator, at which the acreage under contract to the pool is sufficiently large to warrant the operation of more than one elevator.

From offers that have been submitted by elevator companies to lease or sell their lines of elevators, we find that some of these elevators are located at points now served by one or others of the farmer elevator companies.

In the development of the elevator policy as outlined above, it may be found to be in the best interest of the pool that such lines of elevators should be acquired, even although it might bring us into competition at certain points with farmer-owned elevators.

There is also a strong demand for the establishment of a pool elevator at some points now served by farmer-owned houses. The policy to be followed in such a situation is still engaging the attention of your Board.

It has been suggested that the pool elevator policy should be developed without regard to these two farmer-owned organizations. It should be remembered that these companies were the logical development within the farmers' movement at the time they were organized, exactly as we believe the organization of the Wheat Pool is the development of the present day line of thought.

Your Board of Directors are of the opinion that if we can bring about a closer co-operative relationship among these several organizations this year, and if that closer relationship leads towards complete unity in the near future, the greatest step in the history of farm organization will have been accomplished. Not only that, but there will have been created the greatest and most powerful farmers' economic organization in the history of the world.

With this possibility in view, your Board of Directors decided that the maximum deduction, as provided in the grower's contract for the acquiring of facilities, should be made this year.

It was also decided that arrangements should be made for the organization

and incorporation of a subsidiary elevator company, for the purpose of acquiring country and terminal elevator facilities.

Following out these instructions, a subsidiary company has been incorporated to be known as "Saskatchewan Pool Elevators Limited." The company is capitalized at \$100,000 divided into 10,000 shares of \$10.00 each. It is the present intention of the Board that all of the stock of this company will be held by the pool.

At the beginning of the present year, negotiations were also undertaken with the Saskatchewan Co-operative Elevator Company, Limited, and United Grain Growers, Limited, with a view to establishing closer working relationship. Reasonable progress is being made.

Your Board feel that the progress made in the development of the pooling idea during the past eighteen months has been almost incredibly rapid, and while unity of action amongst the farmers' organizations in this province may not be achieved as quickly as some of us would like, we believe that any satisfactory step forward in the direction of a closer relationship this year will make the next step more inevitable.

APPENDIX II

Mr. R. J. Moffatt in a letter to McPhail dated **December 25, 1925**, advised:

First a valuation of the assets of the Co-op. country elevators, terminals and other assets separately, also a valuation to be placed upon the pool elevators in Saskatchewan.

An agreement with the Co-op. to purchase their country elevator system, and a lease of the terminals by the Saskatchewan pool or central, deferred payments to bear interest at 6 per cent.

First payments to go to paying off the Saskatchewan Government (probably not all this year), no payment on shares to be made to shareholders of Co-op. during term of this pool contract. (Interest only.)

The Pool Elevator Company to operate the country elevators and if necessary terminals, with as little change in the personnel of the employees as possible.

The Co-op. to maintain its Commission Department, also Export Company if it wants to.

The pool to agree to handle non-pool wheat for the Co-op.; on an agreement similar in terms to that the pool has with elevator companies. Even street wheat could be handled this way and the company could furnish daily prices.

All elevators to be kept in good repair as naturally they would be.

If 50 per cent of the wheat acreage of Saskatchewan be signed up under next contract, the pool to make bond issue to cover the assets of the Co-op., these bonds might be either long or short term and might either be given the shareholders in exchange for their shares or sold to the public. I would prefer the former. These bonds should be in the nature of a first mortgage on the elevator system. There might be a second bond issue to take care of the interest the present members of the pool will have in the elevator system. This second issue would mature at different dates from first issue. Provision could then be made for winding up the Co-op. Company if thought advisable, or they could go on as suggested in the above paragraph.

If, as some people seem to think, the pool does not go 50 per cent on next contract, the Co-op. Elevator Company to buy out the pool company and pay the pool by a bond issue, and then the Co-op. to operate the whole system and the pool to go out of the elevator business.

This plan appeals to me as a pool member because it would provide for the pool covering nearly all the important shipping points this coming summer.

It would eliminate the competition of the Co-op., avoid duplication, and increase volume and no doubt reduce costs.

It seems to me no sacrifice of pool principle to handle non-pool wheat at a service charge, and this business ought to be very acceptable at points where we are short on pool acreage.

It should develop such stiff competition at all shipping points that line elevators would find difficult to meet.

From the standpoint of the Co-op. this should not be such a rude shock as to ask them to sell out entirely and get out of business and off the map. They might under this plan do a very substantial business and retain any selling connections they may have with the grain they should get not only through the elevators they have now but also the non-pool grain through all we have acquired and may acquire during the next two years, and if the pool does not go over again, the Co-op. would have a system almost twice its present size and in addition all the selling connection we may work up.

It would make it easy to answer the question, "What will become of all our elevators if we have no pool after the contract?"

Personally I am not the least bit afraid we will not have a 50 per cent sign up if we get at it in time. . . .

P.S.—It may easily be contended by the Co-op. if such a proposal be submitted to them, that they are now doing for us all we propose to do for them, why change the control? Just this, that the organized group furnishing the largest percentage of the wheat should be in control of the facilities.

McPhail replied on **January 9, 1926:**

I liked particularly the last part of your letter. I may say that personally I have always felt that if the interests of the pool could be safeguarded for the future without having to assume at this time the heavy financial obligation of taking over the Co-operative Elevator system, it would be better for our organization.

I do not know if you will remember at our Board meeting before our annual meeting last fall, I stated that if there had been a friendly Board in charge of the Co-operative Elevator Company, in whom the pool Board had complete confidence and in whom the farmers of the province had confidence, the situation then existing between the pool and the Co-op. would never have arisen. I then stated that if, at the forthcoming annual meeting of the Co-op. on the 16th of December, the shareholders of that company continued the good work which they had started at their last annual meeting and put in men to fill the vacancies of retiring directors, who were quite friendly to the pool, an entirely new situation would be created.

I think you will agree with me that the shareholders of the company did continue that work, and I believe there is now a majority of the Board of the Co-op. who are entirely friendly to our organization. That, to my mind, has been a great step forward, and clears the way for a possible satisfactory working arrangement between the two organizations.

I have always felt that the pool might be put in a very difficult position, were it to buy out the entire system of the Co-operative Elevator Company at this time, and mortgage its future for at least the length of this contract term.

The Co-op. system covers about 450 points. There are perhaps an equal number of points in the province not yet covered by a farmer-owned elevator. If we purchased the Co-op. system outright, it would be very difficult for us to give the attention that we should to those other points in Saskatchewan.

Now it seems to me there is a possibility of coming to some arrangement with the company that will completely safeguard the interests of the pool, at the same time leave us free to give attention to those other points not now served by a farmer company. This would give us an opportunity to accumulate our reserves, which it is very necessary to do in order to be in a strong selling position at all times.

I had a talk with Mr. Dunning before I left for the East, and I will give you a brief outline of our conversation. He said he had no cut-and-dried opinions on the question, but asked me how we were going to get over the difficulty of dealing with the shareholders of the company. I said I had no definite opinion. I suppose he had in mind the difficulties that might be raised by a large number of the shareholders in the company who would be very much opposed to selling out to the pool.

This is the suggestion that he made, as a possible basis of discussion. The Co-operative Elevator Company owe the Government approximately two and a half million dollars. The pool has about one million dollars invested in elevators. He suggested that the pool pay off the Government loan and put their elevator system into the Co-op. Company. That would give the pool an interest approximately the same, or perhaps more than the equity of the shareholders of the company in the company. Then have the company give the pool equal representation with the shareholders of the company on the Board.

That arrangement, he stated, would give the pool control over the policy of the company, as it would be difficult to imagine a situation in the near future at least, where at least one of the directors elected by the shareholders would not be a pool man, and probably a number of them would be.

This company would be a warehousing company and handle pool and non-pool grain. He stated that, in his opinion, the warehousing company should be as distinct and separate from the pool as possible, in keeping with the control of the policy of the company by the pool.

Now, I do not know whether this is the solution or not, but it provides the basis for discussion and is not altogether out of line with your own idea.

I feel very strongly that some arrangement along the lines of your letter or Mr. Dunning's idea would be of great benefit to the farmers of Saskatchewan. As a result of the rather bitter controversy which has been going on in Saskatchewan over this question, largely due to the propaganda carried on by the old Co-op. Board, there is bound to be a large number of the shareholders who would bitterly resent the complete sale of the company to the pool.

I think any arrangement that will safeguard the interests of the pool and at the same time carry along the support of the reasonable common sense men throughout the country will be greatly to our advantage. It would be too bad at this time to go to extremes in anything that we did, and I am sure that if we can go along and pursue a course of development in acquiring control of our warehousing facilities, and continue to retain the support of the quiet thinking business men and farmers, we have nothing to fear in the future.

One of the difficulties that will confront us is the question of the sale of non-pool grain. Some of our men will be very much opposed to having any

connection or relationship with any organization, farmer-owned or otherwise, that will be in the business of merchandising grain under the old system.

I do not know how far we can go in that connection myself. It would seem to me that if the warehousing company handles non-pool grain, even in wagon loads, to terminal destination and turns over warehouse receipts to some commission firm, that it might be satisfactory. Such an organization might even go so far as making a safe advance to the farmer when he delivers his grain at the country elevator until it is sold by the commission firm.

Then again, I do not see, personally, that there would be much objection to the Co-operative Elevator Company, if its identity is retained, continuing to sell the grain of non-pool farmers through its Commission Department, which could be entirely separate from the warehousing concern. However, these are things that will have to be thoroughly discussed at our Board meetings.

At the present time we have a mandate from our delegates to make an offer to purchase the country elevators of the company and to lease its terminals. Some of our men will possibly be opposed to consider any other proposal. I feel sure, however, that our delegates will be ready to accept any good business proposition from the pool standpoint that will be mutually satisfactory to both organizations and safeguard pool interests for the future.

CHAPTER IV

CANADIAN CO-OPERATIVE WHEAT PRODUCERS, LIMITED

THE Saskatchewan pool was concerned not only with the acquisition of grain by means of a contract with the growers but also with the sale of the grain. It was the objective of the pool not only to distribute funds obtained from the sale of the grain according to the amount and quality produced by the grower but also to introduce an element of certainty and uniformity in the amount received¹ by means of instalment payments and to increase it by reducing the costs of marketing. Efficiency in the development of a sales organization for the disposal of the grain obtained under the contracts was fundamental to the success of the pool.

The experience of the Alberta pool in 1923 was extremely useful to the other pools in the handling of the crop of 1924. With 45 per cent of the acreage of the previous year signed by September 5, 1923, as a result of the membership drive beginning August 20, it was decided to extend the date to September 22, and on October 29 to operate a pool for the year. A permanent Board of Trustees, O. L. McPherson, R. N. Mangles, B. S. Plumer, H. W. Wood, L. Hutchinson, C. Jensen, and W. J. Jackman, was set up. Financial arrangements² were made with the Canadian Bankers' Association and a loan of fifteen million dollars at 6½ per cent was obtained to permit an initial payment of 75 cents on condition that the Alberta Government would guarantee a 15 per cent margin between this advance and the market price. The United Grain Growers, and then the Alberta Pacific Elevator Company, agreed to handle the grain on conditions similar to those under which they had operated with the Canada Wheat Board. The United Grain Growers made loans to cover costs of organization and released two officials, Mr. C. M. Elliott, who had been in charge of a grain commission company at Calgary and in 1913 became provincial manager of the Alberta Farmers' Co-operative Elevator Company (amalgamated in the

¹"The Pool cannot to any extent eliminate fluctuations in wheat prices but it can stand between those fluctuations and the individual farmer" (W. A. Mackintosh, *The Canadian Wheat Pool*, Kingston, 1925).

²See H. Patton, *Grain Growers' Cooperation in Western Canada* (Cambridge, Mass., 1928), pp. 217-18.

United Grain Growers, 1917), to be pool manager, and Mr. D. L. Smith,³ to be sales manager. Every caution had been exercised in the first year's operations and the pool had been in a position to take advantage of the rise in price from May to July, 1924. It had the advantage of a reduction of $1\frac{1}{2}$ cent on grain rates to the Pacific coast and started operations with the beginning of grain shipments on a large scale by the Panama Canal. The pool which closed June 30, 1924, had handled 34,192,805 bushels at \$1.03 per bushel. Two cents per bushel were deducted to purchase elevators.

With the establishment of pools in Saskatchewan and Manitoba⁴ and the success of Alberta, negotiations for a central selling agency took tangible form. On May 31, 1924, executives of the three organizations resolved "That this conference is of the opinion that the wheat of the three provinces should be marketed through a single selling agency by a Board of Control composed of an equal representation from each of the three provincial pools. That in the opinion of this conference the cost of this single selling agency shall be met by the several provincial pools in proportion to the amount of wheat marketed for each province. . . . That the returns from the sale of all wheat from the three provinces should be pooled." In spite of the preponderant position of Saskatchewan as a wheat producer, McPhail held stoutly for an arrangement of equal representation with three members from each Board on the ground primarily that all the provinces were equally interested in selling wheat without regard to the amount of their exports.

On June 19, 1924, McPhail

Spent the morning with the Manitoba pool men. Had lunch with Burnell, Lawyer T. J. Murray, F. W. Ransom, A. E. Wilson, and L. A. Brouillette. We called on D. L. Smith, Alberta salesman. 25. All day in conference with Manitoba and Alberta Wheat Pool men, O. L. McPherson and C. Jensen from Alberta and Smith, sales agent from Winnipeg, and

³He had been with Baird and Botterell, commission merchants, from 1908 to 1915, Vice-President of Armour Canadian Grain Co. from 1915 to 1918, Manager of Universal Commission Co. from 1918 to 1920, and Manager of Grain Growers' Export Co. (subsidiary of the U.G.G.) from 1920 to 1923.

⁴A campaign was started in Manitoba in August and the pool was formed in January with C. H. Burnell, President, Peter Broadfoot, Vice-President, D. G. McKenzie, Treasurer, F. W. Ransom, Secretary, W. G. A. Gourlay, E. C. Ramsay, W. G. Wise, A. J. M. Poole, S. R. Henderson, C. S. Stevenson, directors. The campaign was completed early in June and at the first meeting of the permanent organization in July the officers were C. H. Burnell, President, R. F. Chapman, Vice-President, F. W. Ransom, Secretary, and W. G. Wise, W. G. A. Gourlay, J. A. Carlson, A. J. M. Poole, and S. Gellie, directors.

Burnell from Manitoba pool. 28. I was all day at the office. Mike McLachlan, Rodgers, Wilson, and many others in. Dundas [Saskatchewan] returned from Calgary and reported very satisfactory progress. Brownlee is to go ahead and draft an interprovincial contract. Brownlee also favoured central manager or something of the kind. We had an executive meeting all afternoon. July 3. All day in the office. We had an executive meeting with Robertson, Wilson, Dundas, and myself present. We decided to have Dundas and Robertson go to Winnipeg to see Dr. Magill and Tooley and any others. Also to go on to Chicago to submit interprovincial agreement to Sapiro.

After formation of the Saskatchewan Board on July 25, steps were taken to work out a final agreement.⁵

July 27. Spent morning at office with Burnell and our pool executive—Robertson, Dundas, and Burnell. Spent afternoon and evening with these men. Marsh, Wilson, Wesson, and I attended band concert in Wascana Park for short time. 28. Manitoba, Alberta, and Saskatchewan Wheat Pool Boards in session all day with Brownlee and Murray, counsel. Good meetings. 29. In conference all day. We finally agreed on all points of difference. We signed interprovincial agreement about 6 P.M. Alberta and Manitoba men went home in the evening. We sent Dundas to Winnipeg with Jackman, Burnell, and Brownlee to complete arrangements with banks and other matters affecting interprovincial arrangements.

On the same day McPhail, Dundas, and Ramsay were elected to the Central Selling Agency by the Saskatchewan Board.

On August 8, "Ramsay, Dundas, Milliken, and I went to Calgary in the evening. 9. Spent all day and evening at the Interprovincial Board meeting after lunch. I was elected President of the Interprovincial Selling Agency. The executive, H. W. Wood, Burnell, and myself with Brownlee met after supper until 11.30." Mr. Wood, in spite of his seniority and of his experience with the Wheat Board and the Alberta pool, as well as Mr. Brownlee, insisted that McPhail should act as President. He was a younger man,

⁵The following carefully worded paragraph was included in the charter: "To be an agricultural organization for the purpose of mutual help; to serve as the central marketing association for the three Pools, but for no others; to reduce speculation, manipulation, and waste and all unnecessary transactions in such marketing; to increase consumption, build up new markets, and develop new uses for grain; marketing same directly, and with regularity; so as to furnish it economically to the users thereof; and to preserve for the growers and the public, their proper profits and economies." Each provincial organization bought 497 shares (\$49,700) and paid 10 per cent on allotment. The members were H. W. Wood, O. L. McPherson, R. N. Mangles (later L. Hutchinson), Alberta; A. J. McPhail, R. S. Dundas, E. B. Ramsay, Saskatchewan; C. H. Burnell, S. Gellie, R. F. Chapman, Manitoba.

Saskatchewan was the largest wheat producer, Regina was nearer to Winnipeg, and convenience was important. Mr. Wood was elected Vice-President, and Mr. Burnell, representing Manitoba, Secretary, the heads of the three pools to act as executive. The position of Mr. Wood was such, nevertheless, as to involve embarrassing discussions over policies. "**August 12.** McRae, Dundas, and I interviewed Smith and looked over the new offices."

The agreement forming the Central Selling Agency⁶ was signed on August 20, 1924. It was to run for the crops 1924, 1925, 1926, and 1927, but any pool could withdraw on three months' notice prior to July 1 in any year. The strength of the provincial organizations precluded a stronger arrangement and led ultimately to its collapse. **21.** "Our provincial Board and also the interprovincial Board met all day." At the first meeting the selling organization and seats on the Winnipeg Grain Exchange and the Lake Shippers' Clearance Association were purchased from Alberta at the price paid by the Alberta pool. Mr. Brownlee was made general counsel, and remained until he became Premier of Alberta in December, 1925. An initial payment⁷ of \$1.00 basis no. 1 northern Fort William was decided upon.

The Central Selling Agency in the acceptance of wheat from the pools was concerned with the necessity of acquiring the highly profitable terminal facilities.

August 27. Dundas, Smith, and Burnell went to Fort William to investigate terminals. **September 3.** Spent the day in interprovincial Board meeting. The executive met in the evening to talk over the terminal elevator deal. **4.** Spent all day in Board meeting again. We closed deal by wire for the two Gillespie terminals [capacity 870,000 bushels] at \$60,000. **26.** Signed the terminal leases. **November 6.** All day again in Board meeting. The Elevator Committee with Dr. Magill, chairman, met us at 2 P.M. in our office. **7.** Brownlee, Smith, and Wood and I went over and met a committee of the elevators at 10 A.M. Spent the day in Board meeting. **February 11, 1925.** We had an interview with Smith and Murphy re their terminal at Fort William. **June 29.** Arrived in Fort William in the morning and was met by Stewart Langille. He drove us to Port Arthur where we registered and had breakfast. We visited the Port Arthur Gillespie house and the Fort William Gillespie or Island house before lunch. After lunch we went over the Davidson and Smith house and the C.P.R. houses A. and C. They are very old. We drove all along the line of terminals. Saw Whitehead to give us an estimate of cost of constructing tanks. We drove out 18 miles to see

⁶See *Year Book, Canadian Wheat Pool, 1925*, appendix E.

⁷This amount was "subject to lending banks' approval and no further distribution of funds is to be made without the consent of the latter."

Kakabeka Falls. Took 11.25 to Winnipeg. 30. Arrived Winnipeg 10 A.M. I went to the office where I spent all day with Smith and in the Manitoba pool office. Mahoney got price of \$615,000.00 from Hurlbart of Bank of Commerce on Davidson and Smith house. We wired Wood and Langille re buying and got favourable reply. I attended Manitoba pool Board meeting after supper and took 10.45 train home. Met John Reid in Eaton's and had a talk. July 2. Spent nearly all day around pool offices. Mahoney had offered 600,000 to Bank of Commerce and they had no reply yet from head office. 3. All day around pool office. Bank of Commerce replied from Toronto insisting on at least 615,000 for terminal. We decided to stand by our bid of \$600,000. Took evening train to Regina.

The control of terminal elevators was a source of friction. The Saskatchewan pool had embarked on an elevator policy and was concerned with control over terminals whereas Alberta with no serious elevator problem was interested in control from Central. "April 30, 1925. Spent all day in Board meeting. Had very good meeting with exception of outburst from Dundas. He is very dissatisfied with the Central Selling Agency and opposed the terminal elevators being controlled by Central. Mr. Wood got quite angry with him." Mr. Dundas held that the provinces should control the elevators since they purchased the grain, whereas Mr. Wood favoured greater centralization.

May 4. I spent all day in the office. Had talks with McRae and Robertson re elevators and control of terminals. 15. Central Board meeting all day. Discussed many matters. Most important was provincial or inter-provincial control of terminal elevators. We agreed on interprovincial. 23. Spent all day again in the Board meeting [Saskatchewan pool]. Had a long discussion on control of terminals. June 22. We had a provincial Board meeting all day and we all went to Calgary in the evening on the Trans-Canada. 23. We had a meeting of the three provincial Boards in the Empress Hotel, Calgary, all day and evening. The Alberta men took us around the town for a drive at 5 P.M. Discussed control of terminals all day and finally decided on Central control. July 8. Had a good Board meeting all day. We discussed the terminal and especially the Davidson and Smith house at length and decided to recommend ownership of terminals to the provincial Boards. 10. Burnell and I met Hurlbart of the Bank of Commerce re the Davidson and Smith house. They are quite satisfied to let the deal rest until we decide whether it is going to be interprovincial or provincial. 16. Board met all day. Took nearly all day discussing ownership of terminals. We finally decided on interprovincial.* 18. Signed lease for Gillespie terminals. 19. Took the 8.50 evening train to Fort William. 20. Langille met us at the train at Fort William and drove us to the hotel at Port Arthur. We spent the morning around the Port Arthur Gillespie house and the pool office. After lunch we went to the Davidson and Smith house

*See Appendix 1, pp. 131-2.

and took Hughie Grant and Alf. Smart with us. We spent a couple of hours there. At about 6 k. we started for Duluth. Langille took his big car and took Burnell, Grant, Smart, and me. We had a grand drive through lovely scenery. Very good wide, gravelled road especially on the American side. Stopped at Grand Marie for supper. Fort William 41 miles from bridge on the border. Arrived at Duluth at 1 A.M. 21. Stopped at the Cascade Hotel, Duluth. We spent the morning at a couple of big terminals looking over their cleaning machinery, especially the Richardson Simplex Cleaner. We saw something of their grading system too. We decided against the Simplex cleaner. We started back to Fort William at 12 k. and made the trip of 202 miles in 5 hrs. 35 min. We had supper at Fort William and dinner at Two Harbors. It is a remarkably lovely drive. Saw a bear cross the road. Burnell and I took the midnight train to Winnipeg.

The Davidson-Smith elevator with capacity of 2,370,000 bushels was purchased for \$600,000.

September 25. Spent all day in Winnipeg. Burnell, Brownlee, Mahoney, and I went out to see the C.N. Transcona terminal with a view to leasing. It is in first-class shape, but we decided for the time being not to take it, but to investigate possibilities of getting the R. B. McLean islands house at Fort William, 150,000 bu. capacity to treat mixed grain. **October 3.** Had a talk with Jim Murray re terminals. **November 11.** All day again in meeting of three Boards. Great part of the time was taken up in discussing a resolution presented by Manitoba and Saskatchewan re elevator policy. Alberta objected. It would seem that Alberta objects to anything that would lead to a closer knitting together of the three provinces. They want to keep apart as much as it is possible to do and still appear to be united. We will just have to work along as best we can and the situation I hope will gradually solve itself. Most of the 3 Boards went to Fort William on the evening train to inspect terminals.

January 12, 1926. Board meeting all day. Mr. Brownlee was in attendance and discussed the manner in which we would handle elevator and commercial reserve deductions, also subsidiary terminal elevator organization and how to handle carry over at the end of the year. **May 12.** We arrived in Fort William in the morning and went to the pool office. Spent the morning there with Langille going over various matters in the terminals. After lunch we visited Terminal Elevator No. 1 and 2 Pool, and the Co-op. terminals. We met the men in charge and I was very favourably impressed by Mr. McCallum. Langille drove Burnell and me out to Mr. Cooper's property in the evening. Listened to a lecture on volcanic stone at the City Hall. **June 26.** I called on and had a talk with Frank McLaren re the managership of the terminals. **August 3.** Burnell, Smith, and I had a meeting in the afternoon re equipping the D. and S. house as a hospital house.

Acquisition of terminal elevators and the handling of grain sales involved arrangements for insurance.

August 13, 1925. Had supper with Langille. Talked of insurance. **14.** Met Eldridge of Johnson and Higgins in Burnell's office. **25.** Spent the

morning at the office with Smith and Langille talking insurance, etc. 26. We had an executive meeting all day. McPherson attended from Alberta. We settled the insurance for the year. **December 5.** Had long talk with Jim Eldridge of Johnson and Higgins about insurance. **January 15, 1926.** Dundas and I spent the day around the office. Met Jim Eldridge of Johnson and Higgins and representatives of the Grain Insurance and Guarantee Co. **April 1.** Had long talk with Eldridge re insurance. 2. Lawson, an insurance man, called re marine insurance.

The arrangements of the Alberta pool for shipments from Vancouver were assumed by Central.

October 13, 1924. Elliott [western sales manager] and I took the 7.30 P.M. train to Vancouver. 14. Arrived in Vancouver at 9.30 and registered at the Vancouver Hotel. 15. Spent morning with E. E. Buckerfield and had a good time. Visited Grain Exchange and met Mr. Bingham, Co-op. representative, also Mr. Davis, Mr. Gallway of Spillers, and a Frenchman representing Dreyfus. We visited the Docks and saw a boat loading. Board of Harbor Commissioners' elevator started to build over a year ago and Spillers just this summer, and it looks as if Spillers' elevator will be ready for grain first. It looks very peculiar, and it might appear the Board of Harbor Commissioners were helping Spillers to get started first. The Board of Harbor Commissioners are political appointment, and the chairman, Col. Kirkpatrick, is a good man, but an appointee of the Tory Government. Beatty appears to be the man with the pull as far as patronage is concerned. They get \$12,000. a year as a result of the Royal Grain Inquiry Commission investigation. Mr. McLean who was in charge of the elevator was fired as were also 17 men who were placed in the elevator by Smith of Davidson and Smith. Evidently McLean was a good man and was made the goat for some higher up. Beatty, who was Commissioner and Superintendent as well, had the latter position taken from him. The Harbor Commissioners will not load on bills of lading this year unless the cars are west of North Bend. There has been a lot of difficulty this year up to date in getting the wheat through Vancouver port. The Commissioners demand the seller of grain on bills of lading to deliver 10 per cent more wheat than is called for by the vessel, and if they do not have the grain, to pay the full value of the 10 per cent in cash as well as 10 cents a bu. extra as a guarantee of payment on any grain they might have to load on the boat to make up the required amount. Mr. Glendinning is foreign freight agent for the C.P.R. We were told today by reporter for the *Province* that No. 2 elevator would be ready to take some wheat the 1st week in November. McGaw gets 1/8 of a cent per bu. for looking after shipping out our wheat. Elliott booked one ship for 37s. 6d. per quarter. Some ships have been let for 40s. per 1/4. 16. I met Bingham and Buckerfield at the exchange and Elliott at the hotel. Elliott, Buckerfield, and I had lunch at the Vancouver, after which Miss Buckerfield took us for a long drive around Vancouver. We saw really wonderful scenery. Miss B. drove me to New Westminster to get my bag at Uncle Alex. Buckerfield and Salmanowitz and I went to Victoria on the midnight boat. 17. Went to the Empress Hotel and had breakfast, after which we went to the

dock and saw them unloading Argentine corn from the *King Krouga*. Drove around for 2½ hours and saw some of the sights. McGaw and Arthur Fawcett met us at the boat. 18. Had lunch with Bingham, Salmanowitz, and Buckerfield at the hotel. We accompanied the MacKenzie King party on the Board of Harbor Commissioners' launch and inspected the harbour in the afternoon.

A year later, as a result of limitations at Vancouver, it was decided to acquire additional facilities. **November 22, 1925**, "We decided to lease the Prince Rupert terminal if we can." **January 12, 1926**, "Appointed Dundas, Jackman, and Chapman to look into the Port Mann terminal situation."

With the acquisition of facilities and the necessity of supervising sales it became urgent that a manager should be appointed.

September 16, 1924. Took the 12.20 to Winnipeg: Went to Manitoba pool offices and met Burnell. Norman Lambert came to my room at the Royal Alexandra and spent the evening with Burnell and me talking Wheat Pool. 17. Executive meeting. 18. Again all day in executive meeting. Jim Gilchrist, Manager of the Home Grain Co., was in at noon. I called on Jim Murray at noon. Took the evening train to Regina. 25. Arrived in Winnipeg and registered at the Royal Alex. Spent the day interviewing Mahoney, Stewart, Smith, and Norman Lambert. **November 15**. Dundas and I had lunch at the Manitoba Club with Norman Lambert. 24. Discussed "general manager for interprovincial." **December 5**. Dundas and I had a long talk with Norman Lambert. 19. The Board decided to offer the position to Norman Lambert for one year at \$15,000. 20. I had a long talk with Norman Lambert in the St. Charles. 26. Received a letter from Norman Lambert declining to accept the offer we made to him for general manager of the pool. **January 10, 1925**. I called on Norman Lambert for a few minutes. 21. I had a talk with Dodds of the Bank of Montreal re general manager. I spent the evening at Norman Lambert's house. I was much disappointed at his viewpoint on some matters. **February 1**. Norman Lambert came to the hotel during the afternoon. Brownlee wants me to act as executive head of the pools and he will give all the time that is necessary to help.

On February 17 the Board decided again to offer the position to Lambert at \$20,000.

April 23. I spent most of the day around the Central and Manitoba pool offices. I called on Norman Lambert in the afternoon. Had supper with Brownlee at Child's. We talked of the necessity of a general manager. I took the evening 9.45 train to Canora. 28. Ramsay and I took the 9.35 train to Calgary. 29. Arrived in Calgary in the morning and spent all day in Board meeting. All members present with Mr. Brownlee also. We put in most of the afternoon with Mr. Foster of Bungay's, Seattle. We are considering him for general manager. He seems a capable, level-headed man, but I hardly think he is any better than Smith. **May 13**. We passed a reso-

lution in the afternoon instructing the executive to offer Mr. Brownlee the position of general manager. I had dinner at the Royal Alex. with Brownlee and John McFarland. McFarland seems a very nice kind of man. Unassuming and approachable. 15. The executive met after the Board meeting and offered the position of general manager to Mr. Brownlee. Took the 10.45 train to Regina. **December 10.** Had long discussion on general manager. Discussed the possibility of getting Jim Murray. **May 1, 1926.** Had talk with Brownlee re general manager of pool. **July 19.** I took the evening Trans-Canada to Calgary. 20. Met Mr. Wood and McIvor at Calgary and accompanied them to Banff. Wood is not too enthusiastic about appointing Brownlee, general manager. Of course he wants him to remain Premier of Alberta. I drove back from Banff to Calgary. Met some of the Alberta Board. Had supper at Tony McPherson's. He has a fine home. Tony wants Brownlee to remain Premier. I took the Trans-Canada to Regina.

Without a general manager, the burden of organization fell on McPhail's shoulders. On September 3, 1924, permission was given to Mr. Smith to appoint an assistant, Mr. D. L. McIntyre, and on October 2, agents were appointed in New York and Montreal. On the trip to Vancouver in October, Mr. Elliott died.

October 14. Spent all day on the train going through the mountains. The scenery is gorgeous and I enjoyed the day very much. Elliott was sick all day with his liver and did not leave the compartment. 17. I went to the Vancouver to see Elliott who was ordered to the hospital. 18. McGaw drove me to the hospital to see Elliott before I left the city. He appeared to be quite cheery and bright and we parted expecting to meet shortly. I left Vancouver on the 9 P.M. train. 19. Spent all day on the train. I got a wire at Banff from McGaw, stating that Chester Elliott had died at 5 P.M. I decided to get off at Calgary and see Wood. 20. Registered at the Palliser at 1.45 and got up at 8. Took the 2.35 train to Regina. **November 19.** Arrived in Calgary in the morning and registered at the Palliser. Had interview with McIvor regarding taking on western sales agent. He asked \$12,000.00. Entirely too high. 20. Wood, Burnell, and I met at 9 A.M. Wood and I spent the evening in his office until about 10 P.M. 21. Wood, Burnell, and I met again at 9.30 and discussed western salesmen. I spent the afternoon discussing salesman. Tony McPherson was also in. We engaged McIvor at \$12,000.

Mr. George McIvor was born in 1896. He served as a boy as messenger for the Canadian Pacific telegraphs, joined the McLaughlin Grain Company of Winnipeg, became manager of Willard Cumming, sales agent for James Richardson and Son, at Lethbridge and later Calgary, and then joined the pool. On **December 5** "I had a long talk with Smith in the morning re selling policy and McIvor's appointment as western salesman."

The problem of division of sales agencies between Alberta and

Winnipeg became evident at an early date. On **January 7, 1925**, Smith wrote to McPhail:

I think the time has come when it should be made absolutely clear to McIvor that there must be someone to act as sales manager; it is a foregone conclusion that we are going to run into a lot of trouble if we attempt to handle our selling through two distinctly separate offices. After all the Winnipeg office sells about 95 per cent of the pool grain as Calgary makes most of their sales basis, the option, so that it is up to Winnipeg to decide when to sell out the options. P.S. It seems the Calgary office are under the impression they are working for the Alberta pool instead of the Can. Co-op.

August 18. Arrived in Calgary at 9.30 A.M. Spent most of the day with Wood. I spoke to him of the Vancouver office being opened without the Board knowing. He said he didn't know anything other than that McIvor had spoken to him about it and he thought it was all right. McIvor said he had talked it over with Wood and he thought the Board knew about it. Had long talk with Brownlee re insurance and banking arrangements. He is going to Winnipeg next week. I asked McIvor to come to Winnipeg in order to have a full discussion re relationship of Calgary and Winnipeg office. Took evening train to Regina.

27. I spent all day in Winnipeg. I had a long talk with McIvor on co-operation. Talked with Smith re increases in salaries. I told him there had to be a limit to increased salaries and that I intended to fight big salaries in our organization. Took the 10.45 train to Regina. **September 8.** Spent all day at the office in Winnipeg. All morning with ——. Had lunch with him. Had a very straight talk on salaries. He said he was never much after money. No one could convince me that a man who insists on a salary of over \$20,000. is not keen for money.

The pool held a seat on the Winnipeg Grain Exchange for the purpose of taking "advantage of prices which may obtain on certain days when we cannot take advantage of these prices by selling direct for export." Every effort was made, however, to build up a sales organization dealing directly with the purchaser rather than through the Winnipeg exchange. McPhail had no illusions as to the power of the pool to raise the price of wheat and believed firmly that its gains would arise from economies of marketing and the elimination of middlemen organizations.

September 4, 1924. We had a Board meeting after supper with Smith and McRae present to talk selling policy. Took the 10.45 train to Regina. **22.** Put in all day at the office. Went for a drive in the evening. McRae and I went up to see Premier Dunning at noon and had a good talk over his trip to the Old Country and the Wheat Pool. **23.** McRae and I had an interview with Dunning today. He told us there was an organization amongst the French buyers of wheat whereby although buyers might buy separately, one man directed the buying policy. The same situation prevails in Holland and the Rhine mills in Germany. He knows that the same

arrangement exists between the British millers, Ranks, Shipton and Anderson, Spillers, etc. He states Alberta last year had an arrangement with Ranks whereby Ranks took wheat and paid the highest price for the day on delivery. Young Ranks . . . asked if he (Chas. Dunning) thought the Canadian pool would agree to the organization of a subsidiary company in England for buying (and,) or selling pool wheat. C.D. said he thought there were three ways we might operate in selling the wheat: (1) in the regular manner of exporters, offering quantities of wheat at a price and asking for bids; (2) engaging an agency to sell our wheat for us on a commission basis, such as the arrangement suggested by Sapiro with Sir Herbert Robson; (3) creating our own organization in the Old Country to sell our wheat—an organization such as the Overseas Farmers' Federation Ltd., 88 Cheswell St., London, Eng., J. E. Gough, Manager. It is an organization controlled by Australia, New Zealand, and South Africa producers for the sale of their products in England. Australia markets most of her wheat through this agency, also butter and other commodities. Each floor of the offices is devoted to the sale of a particular commodity. He favoured the first plan for the time being. He advised paying great attention to the great and main object of the pool, to help make the wheat market of the world. We must use all our influence in gaining the best possible price for the farmer, and be more than merely a seller of wheat. We would have to be very careful in determining just how much of a factor we could be in the market in order that we do not over-reach ourselves.

25. Arrived in Winnipeg and registered at the Royal Alexandra. Spent the day interviewing Mahoney, Stewart, Smith, and Norman Lambert.

26. I got up late and went down to the Grain Exchange. Wheat went up 5 cents a bu. today. Took the 10.45 train to Regina. **October 1.** Arrived in Winnipeg in the morning and registered at the Royal Alexandra. We spent all day in interprovincial Board meeting. We met two directors and wheat buyer for the English Wholesale Co-operative Society.

On **November 3, 1924**, Mr. D. L. Smith, the sales agent, wrote to McPhail:

I am to a certain extent in sympathy with your views in regard to the method we should adopt in the marketing of our wheat, but it must also be remembered that it is our duty to see that the farmer secures as much as possible for his wheat. Therefore as Mr. Wood stated the other day it is not sufficient to only get a good average price if we feel in our own minds that we can do better. I have always been a little backward about following the policy as outlined by Mr. Wood but I think if our position was sufficiently secure that it would be good trading on our part to occasionally buy on sharp breaks to the market.

November 15. Arrived in Winnipeg in the morning. We went to the pool offices and then over to the trading floor of the exchange. Called on Darby for a while also Jim Murray, but he was not in. **26.** Board meeting selling policy. Adjourned at 6 p.m. We had a very good two day meeting. **December 20.** Board meeting discussing selling policy.

On December 5 the Board decided to send Mr. Smith to Great Britain. On January 6, 1925, the latter wrote that the demand of the United Kingdom was disappointing.

January 20. Arrived in Winnipeg at 11 A.M. and spent most of the day around the pool offices. Burnell and I had a meeting with McIntyre and Stewart from 4 to 6 P.M. regarding selling policy. I am very favourably impressed by McIntyre. He has a good grasp of the business and is strongly opposed to any element of gambling. He looks on the present prices as very good. **21.** Went over to the pool offices at 11 a.m. Burnell and I had lunch at Eaton's. [We] had long talk with McIntyre re selling. We also had a talk with Mr. Bailey of the *Nor-Western Miller*. **22.** Spent the morning at the pool offices. Talked to Burnell, McIntyre, and Stewart.

A cable from Smith on January 24 stated: "Tell directors I believe see much higher prices. Europe requirements large, hardly be enough wheat to go around. Advise selling on moderate scale." Not influenced by this McPhail wrote to Mr. Burnell on the following day: "If . . . there was to be a slump we would be justly accused of, to say the least, mighty poor judgment."

At the meeting of the Board on January 30, conflict with elements of the Board favourable to speculative dealings on the exchange reached an acute stage.

Mr. Wood is insistent on getting long May and I am as insistent we shall not. **January 31.** We had a very tense discussion on selling policy during the afternoon. Wood tried to force his theory of getting long May. I fought it and would have resigned if they had insisted on putting it into practice. I had to agree for the sake of harmony to sell no more May options, which I feel is bad policy in view of the present high speculation market. Wood withdrew the resolution.

On **February 5** he wrote to Mr. Burnell:

I consider the decision of the Board at the last meeting in connection with the selling policy very unwise in view of the present high prices. **10.** McRae, Wilson, and I went to Winnipeg on the evening train. **11.** We arrived in Winnipeg in the morning. Spent the day around the pool offices. Had talk with McIntyre. **16.** Arrived in Winnipeg in the morning and spent all day at Board meeting. Had long discussion on selling policy. Had Roy McIntyre in for a long time. Wood and the Alberta men reversed their stand on selling policy to that of last meeting. Some of us went to the Winnipeg theatre and saw a poor show.

He wrote on **February 23**:

I have always taken the stand that a pooling organization should pursue a policy of trying to get an average price for the season. To the extent that it departs from a policy of that kind by trying to get more than an average price to that extent does it place itself in a position of getting something less.

We must above everything else pursue a steady selling policy to eliminate the chances of speculation as much as possible in the marketing of our wheat.

March 6. The Alberta men were late getting into Winnipeg and it was 11.45 before we started our Board meeting. Discussed selling policy at length. 7. Had another discussion on selling policy in the afternoon. Wood would not sell a bu. of wheat under \$2.00. It is 1.88 today. Absolute nonsense and exceedingly dangerous. Took the 10.45 train for Regina. Wood would like to buy options at these prices and make a profit when wheat goes up, as he is sure it will.

On **March 9** he wrote again to Burnell:

I feel that we are in a very dangerous position having a section of the Board determined to pursue a selling policy with the definite opinion that prices are going to much higher levels. As I have said on many occasions if we do not consider present prices very attractive from the standpoint of the farmer and if we do not show that we consider them so by reasonably liberal selling if there should by any chance be a permanent drop in the market it would seriously affect the pool for many years to come.

March 17. I had supper with Brownlee and had a frank talk regarding Alberta's attitude, selling policy, and general manager. Wood, Burnell, and I had a short executive meeting in Wood's room at the Winona Hotel. We took the 9.50 train to Saskatoon.

The arrangements for instalment payments had an extremely important influence on selling policy. In a letter sent to delegates in District 14, McPhail wrote on **December 24, 1924**:

We expect that an interim payment will be made about the end of February. We have given this question very serious consideration during the past two or three days. Some farmers, I know, will be rather dissatisfied that an interim payment has not been made earlier. I would point out, however, the fact that the initial payment this year being so conservative has been of great assistance in enabling the Central Board to pursue the selling policy which they believe to be in the best interests of the contract signers. If the initial payment had been more liberal the Board would possibly have been sometimes placed in a position where they would have had to dispose of wheat in order to safeguard their margin with the banks. Of course, that would hardly have been necessary this year with such a continually rising market but in an average year such a condition would be very likely to arise at any time. We have come to the conclusion that it will be better to make a substantial interim payment at a later date rather than make a small one earlier in the season. We are also very desirous of establishing as much as possible the custom of making an initial payment at the time the wheat is delivered and of having the farmer look forward to getting an interim payment sometime before seeding, not too early in the season, and the final payment just before harvest. You can understand, if we had made an interim payment early in the season this year, we would find it much more difficult to avoid making an early interim payment next year. Price

conditions next year might be altogether different and the making of an interim payment very early in the season might possibly put the pool in a very embarrassing position. As I said before, if we can establish the custom of having the farmers look forward to the interim payment sometime before seeding, about the end of February, or the first of March, it will place the pool in the strongest possible position with regard to a selling policy. Even this year, for instance, if we make a substantial interim payment early in the year, and if the market took a heavy slump, it would possibly place the pool organization in a position where it would have to sell wheat in larger quantities than it would do if the pool were free from the necessity of protecting its margin with the banks. In any event, I understand that the farmers are finding little difficulty this year in getting advances from the banks on the certificates and if this is true there is no great hardship to anyone in having the interim payment made about the end of February.

Both the provincial Board and the interprovincial organization have been giving very serious consideration to the formulation of an elevator policy for next year. We have come definitely to the conclusion that the pool must control the warehousing facilities through which pool grain is to be handled at the earliest possible date. You can readily understand that this is a very big proposition involving great financial responsibility. We may not be able to move as rapidly in the direction of our objective as we would like but the farmers in the country can be assured that we will move as quickly as it is possible for us to do, in keeping with the safety of the organization. It is only logical that an organization such as this controlling around 60 per cent of the wheat acreage of the province should also control the facilities through which that wheat is to be handled. On account of the large financial resources which will be necessary in order to control such facilities, it may be some time before we reach our objective.

In March the Board decided to make an interim payment of 35 cents or with the initial payment a total outlay of \$1.35. On March 31, McPhail's fears as to the danger of a slump in price were realized.

March 31, 1925. Arrived in Winnipeg at 8 A.M. I spent the greater part of the day at our office with Smith. Wheat went down to 1.41 this morning and closed at 1.48½. Smith and McIntyre are having a very anxious time. Smith wanted me to stay until this trouble is over. If the pool is smashed there is only one man to blame. . . . Even now I cannot see with the knowledge I had, how I could have done more than I did to avert this near calamity. **April 1.** We did not get to selling policy. Wood did not say anything about the market. Gellie is quite frank in saying that I was right in my stand on selling policy throughout the season. Chapman says they are seeding in southern Manitoba. **2.** We had a discussion on selling policy. There is now no difference of opinion on the Board regarding the necessity of making ourselves safe by selling as quickly as we can without further demoralizing the market. We are still in a strong position and the banks have not bothered us. Smith is greatly worried. **3.** The market was very bad today. Went down to 1.36 and closed at 1.38. It is common gossip that certain interests are out to get the pool. The name of the Sask. Co-op.

Elevator Co., Fred Riddell, and Jim Stewart are freely used as being out to smash the market to put the pool out of business. They must be fiends if it is true. Reid, Ramsay, and I had dinner with Fred Anderson of the British Empire Exchange Co. He is strongly of the opinion that there is no justification for the present market prices and that if any one strong enough would give a lead, it would turn the market upwards. If no one does, the bears may be able to put it where they want to. There is no confidence just now. Everyone is afraid, but everyone feels that wheat is too cheap now. Europe or the U.K. appears quite willing to buy our wheat all the way down, but it appears some interests on this side want to give it away cheaper.

4. I came to the Central Pool offices at 8 A.M. with Ramsay. We decided we would have to take drastic measures if wheat was to go lower. According to reports the market was likely to go down today. We simply cannot stand by and let the present situation continue or grow worse without putting up some kind of a fight. Read, Mahoney, Hutchinson, and I met Elevator Committee at 10.30 to discuss with them security or margins on pool wheat in their elevators. We must keep a 10 cent margin above the initial payment. This morning we only had a 3 cent margin on 1 Northern on a basis of 1.35 and our margin on lower grades has been wiped out several days ago. We assured them we would give them security any time. Market closed at 1.44½. We took steps⁹ to help it today in the hopes it would strengthen and enable us to sell wheat for export over the week-end. Ramsay, Hutchinson, and I went to the Capitol. They all went home but me. Mr. Wood phoned at noon from Calgary. Lovely day. All snow gone. 5. I changed to the Marlborough last night. Got up at 9.30. Went to the Central Church. I went to the Central Office at 3 P.M. and met Smith, Burnell, and Hull. Hull had prepared a statement regarding the present market situation and the apparent effort to smash the pool for sending out to the pool members and press. We went over it and made some changes and wired a copy to Geo. Robertson and H. W. Wood, suggesting that a copy be mailed to all members. 6. May closed 1.46½ or 2½ higher than Saturday's close. We bought 500,000 on the Winnipeg market and sold it on Chicago. Chicago was higher by ½ to ¾ all morning. We are simply forced to take these measures to fight the bears on the market. Apparently a few strong grain interests can bear down the market if there is no bull resistance. All the bullish interests are afraid to buy for they do not know when the pool may be forced to unload. The pool appears to be the only organization that can go in and change the trend of the market and to do it we must take steps which we would not under ordinary circumstances take. But we must fight the devil with his own weapons. Went out to the M.A.C. and had supper with John [McPhail]. I went to the Legislature in the evening and met Burnell. We had a talk with Bracken, and I talked to Brownlee at Edmonton on phone re the provincial Governments coming out with an announcement that they will back the pool under all circumstances. Very interesting and strenuous life. I am to call

⁹The pool purchased 3,435,000 bushels and sold it in May and June at a profit of \$486,000.

Brownlee tomorrow. 7. Spent all day around office. Geo. Robertson and Brouillette were down. Geo. getting a story for the press re the rapid decline in wheat prices. I talked with Smith re Brownlee's suggestion of Western Governments coming out with announcement to back the pools. We decided the pool could stand on its own feet. We would keep strictly away from Governments and politics. Market acted very firm today and I think the worst is over. Talked to Bracken and also Brownlee. Brouillette, Robertson, and I took the evening train to Regina. The most beautiful and long continued spell of good weather I ever saw at this time of year.

On April 9 the Saskatchewan Board asked for a full discussion of the difficulties.

April 9. Attended Board meeting all day in Regina Trading Co. Building. Bye insisted on getting fuller information re central selling agency. I told the Board all about what we had done that week when the market was going to pieces. I also told them how much further prices could have gone without affecting the pool. The Board was very well satisfied. 11. All day at the office. 12. Got up at 9 A.M. Madame Delay gave me breakfast. I wrote until Clark came and we went to Metropolitan Church. Good Easter music but very punk sermon. 14. Again all day at the office. I went to bed at 7.45 and got up at 8.45. Longest sleep on record for me. Visited Brouillette at the hotel. He had the doctor. He is pretty sick. 15. I visited Brouillette. He was feeling better.

20. Winnipeg. H. W. Wood and I registered at the Royal Alex. and had breakfast at the Canadian Pacific Coffee Room and came up to the pool offices. Brownlee arrived at 11 A.M. We had an executive meeting all day. Discussed many matters, but mostly selling policy. We don't see for the moment how the different views can be reconciled. I think a good price is good selling. Mr. Wood thinks we must use our judgment and do good selling whatever that is. I hope Mr. Wood can see his way clear to agree to a practical and common-sense selling policy. Wood and I went to see Dick Turpin, a very good picture. 21. Wood, Burnell, and Brownlee and I spent all day again in meeting. We maintained a friendly spirit throughout the meeting. It was very difficult sometimes to keep from saying some things which I suppose would be better left unsaid. Specially in view of the terrible position the pool was very nearly placed in recently by —'s theoretical nonsense. Wood is a very likeable man apart from his philosophizing about practical business matters. 22. I moved from the Royal Alex. to the Marlborough. Spent all morning around the pool office with Burnell and Smith. Was over at the Grain Exchange for a time. Had lunch with Tom Guild at the Plaza. Talked with Brownlee between 6 and 7 P.M. We agreed everything possible must be done to keep the three pools together.

At the Board meeting in Calgary April 30 discussed "selling policy." On May 23, 1925, Smith expressed the opinion that the high price of May wheat was a result of the policy which had been adopted by the pool after April 3, and that it was "somewhat fictitious when it is trading at about 10c. per bushel over July wheat. I

am not attempting to deny that we are selling for export at under the May prices. I figured it was better to leave the May wheat at its present premium over July and at the same time sell wheat for export at about 3 cents under the May which is in reality 4 or 5 cents per bushel better than could be marketed in any quantity on the Winnipeg market." He stated later that in "the months of May, June and July of 1925 we forced the local market to a level where export business was unfavourable with the result the only course we could follow was to hold the future market and export at from 5 to 10 cents less." On **June 22** McPhail wrote to Smith: "I do not feel very easy about the large quantity of wheat which we still have on hand. I hope that prices will keep steady at least from now on and that we will be able to sell considerably larger quantities from day to day than we have recently." **June 30**: "We are in a deuce of a fix having a lot of wheat on hand and no demand." **August 13**: "We decided on a 1.66 basis with no. 1 Northern final payment to the farmers. **September 5**. The announcement of our final payment appeared in this morning's papers."

An office system was built up to provide for more effective control of policy.

September 18, 1924. We had the chief accountant in a great part of the afternoon. **October 1**. We had Stewart and Smith in to discuss office arrangements and financial arrangements. **10**. Spent the morning around the pool offices with Burnell, Mahoney, Stewart, and Smith. Smith reports everything going O.K. **January 21, 1925**. I arranged to meet Drennan of John Scott and Co. We also talked to McDonald, Manitoba pool auditor, re accountant supervisor. **27**. I had a lunch with Drennan of John Scott and Co., auditor at the Manitoba Club. **30**. We had Drennan in to discuss the audit. We want the audit to be more up to date in order that the Board will have some protection. **May 11**. Arrived in Winnipeg at 7 A.M. and registered at the Royal Alex. Went to the office at 8 and met Burnell. He came to Child's and had breakfast with me. Our meeting started at 10, and we had good discussions all day on arrangements for making final payment and co-ordinating office systems. **12**. Spent all day in office. We all agreed on a uniform office system with Alberta as a model. **July 10**. I talked to Skipworth re Winnipeg office.

December 11. Had a long discussion with Drennan, the auditor, in the forenoon about the business in general and the possibility of improving the office system, particularly a more detailed system of records of each sale of wheat. **12**. Dundas, Jackman, and I had a talk with Stewart in the morning and a long discussion with Smith and Stewart in the afternoon re keeping more detailed records of each individual sale and also more comprehensive records of spreads. Took the 10.45 train to Regina, with Norman Lambert. **April 2, 1926**. I had long talk with Drennan our auditor re pool matters.

May 10. We decided to replace Stewart as chief accountant in the Central office.

On **April 29, 1925**, the Board decided to appoint a publicity man and a statistician. **July 18**, also **July 22**: "Talked over ads in connection with year's business in foreign and farm papers. Also statement to go out with 2nd interim payment. **August 13.** Ex-mayor Farmer of Winnipeg met the Board re publicity. **15.** Burnell and I met ex-mayor Farmer re position as publicity man for Central." He was appointed at a salary of \$4,000. "**April 23, 1926.** Went over Farmer's material for a pool year book."

The purchase and marketing of grain brought the organization in touch with governmental regulation. "**October 10, 1924.** Arrived in 'Peg in the morning. We all attended the meeting of the Board of Grain Commissioners at 3 P.M. in connection with complaints of farmers re grading. The Grain Trade were well represented. I think it was a successful meeting from our standpoint. Took the night train home to Regina." The recommendations of the Turgeon Commission were incorporated in the Canada Grain Act. "**January 22, 1925.** [Crerar] wants joint representation at Ottawa on the Canada Grain Act. **March 11.** The Saskatchewan Board discussed action in connection with the Canada Grain Act." On **March 16** at Edmonton,

Spent all day in conference in the Speakers' room in the Legislature. Talked all day over Turgeon Report and the proposed new Canada Grain Act. **17.** We met again all day. We had, I think, a very profitable conference. We decided to send Murray and Milliken to Ottawa to confer with Ottawa authorities re Canada Grain Act. Geo. Robertson and McRae are also going. **May 14.** All morning in Board meeting. We met the executive of the Canadian Council of Agriculture in the afternoon on amendments to the new Canada Grain Act. We agreed on all the changes we wished to present to Parliament. Dundas, Ramsay, Geo. Edwards, and I had supper across from the *Free Press*. **23.** Spent all day again in the Board meeting. Also on proposals in new Canada Grain Act. **29.** I had a wire from Burnell from Ottawa stating the Canada Grain Act was held up by Symington acting on instructions from Canadian Council of Agriculture. I had lunch with Edwards and Ward. They told me of the attitude of Maharg, Musselman, and Riddell. They quite evidently want to oppose the ideas of the pools in the new Act, but to hold up the Act for this year. But do not want to do so openly. They want to hide behind the Canadian Council. Busy at the office all day. Had a talk with MacLeod. I took the evening train to Winnipeg. **June 3.** I phoned G.W.R. He said I was wanted at Ottawa in connection with the Canada Grain Act. I am afraid the Co-op. Elevator men will be getting in their work behind the scenes.

On June 12, Ramsay wrote from Ottawa in a jubilant vein over success with the measures of the Canada Grain Act and of the importance of a strong pool representation. "**June 30.** Had long talk with Tom Murray re Canada Grain Act."

"**July 13.** Met Edwards and Waldron at the G.G. office in the evening and drove Edwards to catch the evening train to Winnipeg. He is to attend a Canadian Council executive meeting and probably will have an interesting time re the Council's failure to support the pools in the Canada Grain Act legislation." Mr. Crerar of the U.G.G. and the Canadian Council of Agriculture had successfully opposed the demands of the pools and the recommendation of the Turgeon Commission that the farmer should be allowed to choose his terminal elevator. "**August 15.** Had talk with Crerar re Farmers' Union and Canada Grain Act."

Preparations were made for the handling of the 1925 crop.¹⁰ An initial payment of \$1.00 was again decided upon.

August 15. Long talk with Stewart and Tod re bank loan for 1925-6 and rates of exchange. **25.** Smith and I had lunch with Jackson Dodds who has just been appointed Assistant General Manager of the Bank of Montreal. **27.** Smith and I saw Dodds in the morning. **September 10.** Had long talk with Dodds re coarse grains credit and bank system for taking care of salaries. Had talk with Read, Gibson, and Skipworth re grade deliveries and Central financing pool elevator grain. **October 29.** Had talk with Hull and long talk with Smith re value of stocks taken over from 1924. **February 1, 1926.** We set the interim payment at 20 cents subject to approval of the banks. McPherson, McIntyre, and I met Dodds of the Bank of Montreal re payment. **March 9.** McPherson and I visited Jackson Dodds re interim payment. **September 18.** Again all day at the Board meeting. A great part of the day discussing the final payment. The Board all felt very dissatisfied with — for the manner in which he led them astray regarding the amount of the average price during the entire season.

On **October 7**, K. Drennan warned McPhail not to make a statement as to the amount of the final payment until the amounts

¹⁰"**August 25, 1925.** Smith told me that Sir Herbert Robson told him that a week or two ago a report was sent to New York from a grain man who was travelling in the West, estimating the western crop at 310,000,000. Half an hour after, a number of New York firms got wires from Jim Stewart, stating the estimate was 75,000,000 low. Robson who had lunch with Stewart today said, 'That man is an awful bear. It is hard to understand why a man should be such a continual bear on the market.' **26.** I spent the evening talking to McPherson and McIvor. Had talk also with Jim Stewart. I bet a hat with him that the western wheat crop could not be 350 millions."

were made up. **October 14:** "We had a good talk with Drennan of John Scott and Co. **18.** Had talk with Drennan."

D. L. Smith reported on August 20, 1925, that command of the pool over wheat enabled it to compel competition of lake ships for grain and to secure lower rates to the extent of 1 cent per bushel. Ocean rates were less susceptible to reduction.

We have agreed to take from the Cunard, Furness, Withy, White Star, and C.P.R. 50 per cent of their grain tonnage to load during winter months provided the rate is identical as quoted out of New York. This will no doubt mean a considerable saving to us as the lack of movement of Canadian grain via the American route will have the tendency to reduce ocean rates from New York and in this way we will derive the benefit. The Canadian Pacific and Canadian National Railways will, of course, secure a very great benefit through this movement of pool wheat to the Canadian seaboard as these companies will have the rail movement of our wheat from Tiffin and McNicol, also thirty days' free storage in their elevators at Portland and West St. John. We are making an entire saving of free storage.

It was claimed that the pool obtained lower ocean insurance rates than any other grain exporter on the Canadian Atlantic seaboard.

The insistence of McPhail against dependence on the Winnipeg exchange and the dangers of dependence on that market, evident in April, strengthened the demand for the development of direct connections for the disposal of wheat. Arrangements were made to sell to the firm of Ranks in England, and the Grain Union Company was given an exclusive agency to handle pool grain to Portugal, Spain, Switzerland, and Italy for one year.

September 4, 1925. Arrived in Winnipeg in the morning and registered at the Royal Alex. Our Board met Jas. Rank of Jos. Rank and Co., Millers, also Jules Salmanowitz of the Superintendence Co., New York. **10.** I spent all day with Burnell, Smith, McIntyre, and Stewart, talking with each. Had lunch at the St. Charles with Burnell and Mahoney. Smith is trying to get Folliott of the British Empire Export Co. to take charge of our coarse grains pool, and a man from the U.G.G. to take charge of our New York office. He also wants to open an office in Toronto. I wired to Wood re Toronto office. Took No. 1 home.

24. I was re-elected President of the Can. Co-op. Wheat Producers. No apparent difference as to selling policy. **October 2.** Met Walter Gilling of London. Also met Folliott, our new coarse grain man. **3.** Spent all day around the offices. Had talks with Burnell, Smith, McIntyre, Farmer, Hoey, and Hull. Widespread reports these days the pool is underselling and in financial difficulties. **November 22.** Arrived in Regina at 9.40. Ramsay, Gellie, and Dundas met us at the station. We went right up to the office where we had a meeting. Had a talk over many things—next contract campaign, representatives in Australia and the Argentine, London Office, Co-op.

Elevator situation. Jackman, Ramsay, and I had lunch at Fell's. I went home after supper and read *Life of John Morley* all evening. 26. All morning at the office. I call up Roy McIntyre every day. He sold November today at 1.51½. This is a very good price, and I think we should take substantial advantage of it. We have a very large quantity of wheat to sell and the months September, October, November, and December are the big sale months for Canadian wheat. I took the midnight train to Saskatoon. **December 4.** Spent all day around the office. Had lunch with McIntyre and Folliott talking over Central business. We have sold a lot of wheat, but we have a great deal to sell. I do not think, even in view of prices now, and looking back over the season so far, and conditions as they have appeared from time to time, that we have made any mistake. 5. All day in Winnipeg, a great part of the day with McIntyre, Folliott, and Stewart.

On December 8, 1925, Smith reported that Great Britain continued to follow a policy of hand to mouth buying. He pointed to a danger, with the pool off the hedging market, of the public unloading and causing a disastrous break.

However I believe before this happens wheat will climb steadily to close on the \$2.00 mark which will give us plenty of opportunity to market a large volume on the way up.

December 10. We sat all day as a Board. Discussed Toronto and New York offices, particularly the fitness of Leitch for a position with the pool. 11. In the afternoon we had a long discussion with Smith re sales policy and the business generally. We arranged to meet the National Millers' Association at next Board meeting. Folliott reported re the coarse grains situation. 30. Arrived in Winnipeg at 8.30. Spent the morning in the pool office. Phemia and I took the 4.30 Canadian National to Toronto. Everything seems to be in good shape in the pool just now. I think we have a good amount sold. It seems difficult to sell enough just now at the high price on account of lack of export demand.

January 4, 1926. Spent afternoon at pool office [Toronto] with Gordon Leitch. I was quite taken with Leitch. He impresses me as a good type of man and capable.

6. Arrived in Montreal at 6.30 A.M. and registered at the Windsor. I called and spent a couple of hours at Thompson and Earle's. Mr. Clare, the Manager, is a very fine type of man. I think we are fortunate in having such a man looking after our business here. He is much opposed to the pool leasing the terminal at Halifax. He says Halifax is not a natural outlet or port for wheat. It is just because the Government are anxious to develop Halifax to satisfy the people there for political reasons that we are being urged to send wheat there. Under our present arrangements where we do not pay any elevator charges or storage charges, it is much more satisfactory. If we leased, we would have to get a gang of men and operate ourselves. Men work short hours there and stevedoring is much higher than at other ports. Portland stevedoring is, I think 1.25 or 1.50 per 1,000. Halifax 3.50 or 3.75. Portland is much the best port, only 225 miles from Montreal to

850 Halifax and St. John 450. Just a night run to Portland. Then Halifax has a poor steamship service. We have 500,000 2 Northern wheat there now. Perhaps when we could get a ship there, there would be no sale for 2 Northern and we might have to send it on consignment. In fact, Halifax is not a good port and someone must lose if wheat is sent that way. Some time ago, Sir Henry Thornton, when in Halifax, told the people there they could not expect to have wheat shipped through that port unless they had facilities. That statement possibly led to pressure on the Government to build a terminal there. Mr. Dalrymple asked someone how much they were willing to pay or to lose to send wheat through Halifax.

The Quebec arrangements, Mr. Clare thinks, are quite good and profitable for the pool. He spoke of the confusion¹¹ in the New York office when Mr. Johnson took over the office. Clare goes to New York every week or two. He spoke of the \$50,000.00 insurance claim which Roys [appointed agent in New York in 1924] failed to file. It was on a boat which went down in the Erie Canal. I had lunch with Sir Vincent Meredith, Sir F. Wms. Taylor, Mr. Sharpe and Mr. Cameron, and one other man. Had quite an enjoyable talk with these men. I went back to Thompson and Earle's office for a while. Talked to Jim Stewart of Winnipeg over the phone. Brownlee and Smith, one of his ministers, came to my room about 4.30. I spent the rest of the day with Brownlee until I took the 8.40 train to New York. 7. Arrived in New York and registered at the Belmont. I spent a considerable part of the day at our office in the Produce Exchange Building. I was very favourably impressed with Johnson who is in charge of the office. He is a good type of man. Everything appears to be in good shape. We had lunch with Mr. Watt and an associate of Stoddards. I met Mr. Salmanowitz and his old chief, Mr. Penzer. I left New York at 6.30 for Toronto.

A policy of direct sales brought problems for Canadian millers.

January 4, 1926. I met Mr. McDonald, assistant manager of the Maple Leaf Milling Co., and also Mr. Watts of the Canadian Millers' Association. 8. Arrived in Toronto at 9 A.M. and registered at the King Edward. Met a Mr. Brown, Ontario Miller, and Mr. Bailey of the Nor-West Millers and Mr. McDonald . . . of the Maple Leaf Milling Co. before noon. Leitch and I had lunch with Mr. Watts, Secretary, Mr. Wood, President, and Mr. Thompson, past President of the Dominion Millers' Association. I called on Mr. Broten, General Manager of the Dominion Bank, after lunch and on Mr. J. J. Morrison, Secretary of United Farmers of Ontario, Mr. Clemens, Manager of the U.F.O. Co-op., and Mr. Shields, another official. Mr. Leitch and I called on Mr. —, General Manager of the Canada West Flour Mills Co. I then called on the Hon. Manning Doherty and went home with him for dinner. I went with Doherty, his wife, son, and sister-in-law to Shea's theatre. 9. I spent the morning in our office and paid a visit to Manning Doherty. Called at the pool office again about 4 P.M. and said good-bye to Gordon Leitch. I called up Frank Evans before leaving Toronto. Spent

¹¹"**May 15, 1925.** Board meeting all day. Had a report from Stewart criticizing the New York office and had Smith in later. **August 13.** Smith agreed to reorganize New York office."

the evening with Jim Stewart and a Mr. Brody in the former's room on the train. I had lunch in Jas. Stewart's sitting room at the King Edward Hotel with Jim Stewart, Mr. Campbell, and Mr. McDonald, General Manager and Assistant General Manager of the Maple Leaf Milling Co. Campbell appears a keen, fine man. The object of the meeting was to discuss the possibility of the Canadian mills securing their requirements of wheat from the pool. Mr. Campbell had no really definite plan worked out. He thinks the pool should not go any further than Fort William with its wheat. He suggested, as a feeler I have no doubt, that the pool go into the milling business and buy out the mills. I answered decidedly no. He stated that under certain conditions the Old Country millers were able to buy wheat from the pool cheaper than Canadian mills. He also stated that so far as the pool was concerned, he believed it was good trading business. If the market showed a weak tendency, we might accept an Old Country offer at a lower level than the Winnipeg market warranted and yet it would be good business. Also when the local Winnipeg market was at a fictitious level through speculation, export selling at lower levels might be good business for the pool. However, all this had a serious effect on the Canadian mills. I told him the farmers regarded the Canadian milling industry as a legitimate one and would want to deal fairly with it. We would not want to do our business in such a way as to put the Canadian mills at a disadvantage with mills anywhere else. He suggested the possibility of the pool making offers every day to the mills, subject to 24 hour acceptance. This would enable them to handle their flour sales. Of course if wheat went down, they would not accept. If it went up they would. It would not be safe for the pool to put itself in such a position. He also suggested making the same offers to Canadian mills under the same conditions subject to overnight acceptance as to Old Country buyers. This would seem fair. The suggestion was also made of the pool selling the mills their requirements three months ahead. The mills would try and make similar arrangements in selling their flour. Any of these arrangements would be subject to the mills giving an undertaking that under no circumstances would they re-sell the wheat but would grind it for flour. Leitch suggested to me that if at any time the pool for good reasons did offer wheat abroad cheaper than the option market, the same offers should be given to the Canadian mills. 11. At Winnipeg discussing arrangements between the Canadian millers and the pool with Norman Lambert. 12. We had a meeting after lunch with the Canadian National Millers' Association with a view to making some arrangement with them to supply pool wheat. It was a very satisfactory meeting. The meeting adjourned at 6.30. 13. Spent the morning with Dundas and Ramsay around the Central office and also the Saskatchewan pool elevator office. I had lunch with Messrs. Page and Horne, Manager and Assistant Manager of the Western Canada Flour Mills Co. Both very fine men. They talked very diplomatically of an export duty on Canadian wheat to U.S.¹³

¹³"August 11, 1926. Had talk with General Manager of the Western Canada Flour Mills Co. on the train re milling arrangement and export duty on flour."

February 23. I spent all day around the Central office. Dundas and I had lunch and supper with Salmanowitz of New York. I had a talk with Jackson Dodds. Demand for wheat is extremely dull. Met Mr. McDonald of the Australian pool. Dundas and I went to see Mantel in Hamlet at the Walker with Bob and Elizabeth Steele. I took the 10.45 to Regina. **March 24.** All day around the office seeing Smith, Farmer, Stewart, Tom Murray, and others. Visited Geo. Chipman, and saw Colquette and Abel (of the *Grain Growers' Guide*). Spent the evening in my room reading. **April 1.** Spent all day around the pool offices. Talked to Farmer, Stewart, Murray, and had lunch with Smith at the Grange. Met Jim Stewart there.

27. New York. Had talk with Johnson, Salmanowitz came in. He invited Johnson and me to dinner. We had a very expensive dinner at a quiet little place (\$25.00). We then went to the Henry Miller Theatre where Salmanowitz was entertaining a party. His wife, another woman, and three other men. I suppose it would cost him \$40 or \$50. **28.** Got up late and went down to the office. Had lunch with Mr. Penzer and Salmanowitz. Met Jimmy Donohue of the U.G.G. Seems fine fellow. Salmanowitz took me for about a 3½ hour drive around New York. Wonderful drive. He took Johnson and me to the De Paris Cafe for dinner with his wife. Mrs. Salmanowitz is a most charming lady. We had a very expensive dinner. I left New York at 10.45. They spend dollars much more freely than we spend pennies.

May 2. Arrived in Toronto at 7.30. Geo. H. Barr, McIvor, and I had breakfast at Childs. I registered at the King Edward. Gordon Leitch took me for a drive out past Port Credit. We went to old St. Andrew's Church in the evening. Leitch wants to make arrangements with the C.N.R. in connection with their elevator at Midland. Went to bed early. **4.** I spent some time in our office with Leitch. Went over to the *Globe* office to meet Geo. Edwards at 11.30. Met Mr. Smith, agricultural editor, and gave him an interview. Had lunch with Leitch, Campbell, and McDonald, General Manager and Assistant General Manager of the Maple Leaf Flour Mills Co. Met several others after lunch and went back to the *Globe* office at 4 P.M. Edwards' brother-in-law took Edwards and me for a drive. We saw Pellatt's castle. A monument to insanity. I took the 11 P.M. train to Montreal. **5.** Arrived in Montreal at 7.30 A.M. and registered at the Windsor. Called at Mr. Todd's office of the C.P.R. but he was not in. Called at Thompson and Earle's office. Clare was in Ottawa.

11. Tony McPherson arrived from Vancouver this morning. We finished our meeting at 5 P.M. Burnell and I took the 5.40 to Fort William. **31.** I spent the morning around the Central and Saskatchewan pool offices. Had lunch at St. Charles with McIntyre and Folliott. Met Messrs. Stirling and Gallagher, directors of the Scottish Wholesale Society at Fort Garry. **June 14.** Arrived in Winnipeg at 9.45. Train late. We had Board meeting all day. Ramsay, Burnell, and McPherson were not there. Burnell is organizing a Wheat Pool in Ontario. Very foolish I think. Some of the farmers there put in 10 acres of fall wheat. The Board adjourned at 6 P.M.

The possibilities of a London office were discussed at length.

December 9, 1925. Arrived in Winnipeg at 8.15. Board meeting all day. We met Mr. Walker from London, representative of the Victoria State Wheat Pool of Australia. He seems a very fine type of man, and made a very good impression on the Board. We had a long and interesting discussion with him. I think he would make a good representative for the Canadian pool in London. **January 12, 1926.** We agreed to send Smith and Ramsay to the Old Country. **March 21.** Got up at 8.30 and met Ramsay at the station at 9.45. He was on his way from the Old Country to Vancouver to take his family back home. He was looking very well. Brooks Catton was there too. I went to the office, and while there Newsome came in and we had a long talk.

Ramsay reported on April 4 and warned against the danger of linking up with international organizations and advised control of wheat sales from Winnipeg rather than London.

On July 3 Smith reported that as a result of narrowness of the futures market there was very limited sales for options and a danger of July wheat being forced to abnormal levels. "As it would not be to our advantage to have a high market quoted, so close to our final payment, I think the best policy to adopt is to keep cash wheat at a high premium over the option and at any time July acts tight to keep selling the future." Mills were short of supplies and the rush of United States hard winter wheat was expected to depress the market.

The success of the pool attracted international attention. "**December 19, 1925.** We had an executive meeting. I did not attend the meeting for long. I spent part of the morning in Geo. Edwards' office listening to a lady, Dr. Strong, tell of conditions in Russia. In the afternoon she came to the Wheat Pool office and got as much information about the pool as I could give her. She was a very keen, intelligent woman."

Early in January, 1925, McPhail attended the conference on co-operative marketing in Washington.

January 5, 1925. Attended the National Co-operative Conference all day. It started at 10.30 with an address by the Chairman Judge R. W. Bingham, who appears a polished and finished southern gentleman. Frank O. Lowden gave a very forceful address. He seems a very plain, ordinary, able and forceful man about 60. We were received by the President at 12.30. He gave us a very fine address. He seems an ordinary sort of man, but carries a poise and kind of distinction which I imagine is inseparable from such an exalted position. Carl Williams spoke in the afternoon and myself.

I got along tolerably well¹³ I think. I am glad it is over. Met many people and on the whole enjoyed the day. I had a bad cold. **6.** Got up early and had breakfast with Mr. Christensen, head of the Bureau of Farm Economics in the United States Department of Agriculture, and his friend. They took me up to the Department offices and I got a lot of information. We came down at 10 A.M. to the Willard Hotel and heard Sapiro deliver a great address on co-operative legislation. I had a talk with Sapiro in his room after the meeting. Went with Christensen at 4 P. M. to see Callender, Crop Service statistics man, in the Department of Agriculture. Spent until 6 P.M. in the Department. **7.** Got up late and attended the conference. Secretary Herbert Hoover gave a very thoughtful address. He is not a speaker. Just talks very quietly. I was to have lunched with Carl Williams and Dan Wallace, but had to go and correct my speech. Heard Secretary of Agriculture Gore during afternoon. Did not have an opportunity of a talk with Williams and Wallace as meeting lasted until 6 P.M. and Williams was chairman. I took the 6.50 train for Buffalo and Toronto. Drove around the Capitol and Houses of Congress. Very imposing structures. **March 27.** I put in all day at the office. A large number of visitors all day. Mr. Kurt of the United States Department of Agriculture was in the office nearly all day. We tried to give him all the information possible. **August 10.** Spent all day in the office. Mr. — of Nebraska was in for some time.

An International Wheat Pool Conference¹⁴ was held at St. Paul in February, 1926, and the interest in pooling was generally encouraged. The South West Cooperative Wheat Growers' Association was formed in the United States.

In March, Australia asked for a man to assist in organizing a pool.

¹³His speech provided an excellent summary of the history of the pool. See "History and Accomplishments of the Canadian Wheat Pool" (*Proceedings of the Third National Cooperative Marketing Conference*, Washington, pp. 27-38).

¹⁴See *Proceedings of the International Wheat Pool Conference at St. Paul, Feb. 16th, 17th, 18th, 1926* (Winnipeg). Mr. Wood argued against systematic dumping. "If this wheat was sold intelligently, systematically and fed to the consumptive demand just as that demand developed, we could maintain the price of our wheat on a level with the prices we have to pay and we would not need any legislation to assist us in doing that either. . . . These three great English-speaking countries, United States, Canada, and Australia, can raise the price of wheat at least fifty per cent above the level of the price that has been maintained through the old system." Mr. Gourlay: "I feel there are too many men who are somehow ashamed to admit that the object of this pool is to raise the price of wheat." Mr. McIntyre: "We have tried to keep the Europeans from piling up a big reserve of wheat that they can use against us. . . . We have sold at 72 different places. Our organization practically covers the importing world, we ship to Brazil, we get cables every morning ranging from twenty-five to forty from every port in every country which is a buyer of Manitoba wheat of any size."

May 11, 1926. We decided to send Burnell and Geo. Robertson to Australia. We also decided to send someone to the Argentine [Jackman]. **August 25.** I saw Geo. off to Australia on the *Aorangi*. **November 16.** All the Board went to the station in the evening to meet Geo. Robertson on his return from Australia. **24.** We had a banquet in the evening at the Royal Alexandria at which I presided. Mr. Wood¹⁸ and Geo. Robertson gave an account of their trip to Australia.

Mr. W. J. Jackman was appointed as a representative in the Argentine.

¹⁸Mr. Wood went in place of Mr. Burnell.

APPENDIX I

The points determining the arrangement were outlined in a report.

ADVANTAGES OF INTERPROVINCIAL CONTROL OF TERMINAL ELEVATOR

(1) It will be the means of greater volume through the terminal. More volume—more profit. We are afraid that any other policy might be the thin edge of the wedge separating the pools.

(2) It places the time of the cut-off of the grain from provincial pool to interprovincial pool at unloading thereby giving interprovincial pool control in the elevator instead of out of the elevator.

(3) Would eliminate chance of one province holding own terminal full of grain against other provinces having to ship and lose storage and also causing the feeling of the provinces who did not own the terminal that they were unfairly treated.

(4) Saves unnecessary competition and discussion. For example: other private elevators cut their "fobbing" charges, which provincial elevator would require to meet competition.

(5) The Selling Office can give definite instructions regarding mixing.

(6) With all grain in one elevator it would save cost through odd lots of same grades being scattered in several elevators.

(7) When not operated by interprovincial Board through the Selling Agency, and should the provincial terminal be full to capacity and required shipping instructions, and the selling office had ample grain at the seaboard and lake ports, the selling office would naturally not be inclined to give the provincial terminal the relief required.

(8) The free movement of grain out of a terminal is directly related to the export end of the grain business.

(9) The fact that many grain firms owning country elevators merge into one terminal under terminal management seems to prove the need of volume and also proves the need of terminal elevator profit to carry on the country elevator business, but the separate management proves the need of the terminal actually working close to or in connection with an Export Co.

DISADVANTAGES OF INTERPROVINCIAL CONTROL

(1) It is generally accepted that under present conditions country elevators cannot be successfully operated from a financial standpoint without the assistance of the revenue which can be obtained from terminal elevators; consequently any province operating a line of country elevators should have control over the operations of the terminals.

(2) Until such time as the provinces are prepared to merge into one single pool for the handling of western grain any expenditures made by the provinces in acquiring country or terminal elevators should be absolutely under the jurisdiction of the provinces.

(3) It is very doubtful if it is in the interest of the pools to go extensively into the private terminal elevator business; the operation of public terminals with probably one small hospital or private elevator would mean greater public confidence in the operations of the pools than would be the case if the pools operated private houses exclusively.

(4) If provincial elevators are separated from terminals within the pools, provinces having country elevators may be forced to consider alternative propositions put up by terminals outside the pools for the terminal handling of pool wheat.

RECOMMENDATION

We think that any disadvantages of interprovincial control can be eliminated by the following recommendation:

That in the event of a terminal elevator being leased at Fort William, Port Arthur, Vancouver, or any other point, the control should be under the interprovincial Board, with Provincial Boards and Managers of each province kept fully informed of the operations. Also with a distinct understanding that all profits derived from the operations of the terminals shall be distributed to each province in proportion to the volume of business supplied to the terminals.

CHAPTER V

PROBLEMS OF ABSORPTION

RAPID expansion of the pool organization through the absorption of the Saskatchewan Co-operative Elevator Company and the creation and extension of the Central Selling Agency imposed heavy burdens on personnel and management. The Alberta and Manitoba pools operated in territory in which commercial elevator companies, especially the United Grain Growers, were strong and their influence, especially that of Alberta, was important in the Central Selling Agency. On the other hand, the strength of political organizations dominated by farmers in those provinces handicapped their contributions.

The staff of the Saskatchewan Co-operative Elevator Company had been built up over a long period and had been drilled in definite policies, while the staff of the pool organization had been formed within a very short period. It was difficult to adapt the staff of the Elevator Company to the demands of the pool organization. McPhail outlined the problem in a letter to Mrs. McNaughton dated April 18, 1926.

There is a strong sentiment that we now have such a tremendous organization within this province that we must have another member of the Board on the job especially as I am away a great deal. . . . I am hoping that if we decide to have some member of the Board come in (and I think it is desirable) that Bob Moffatt will be selected. He is a splendid type of man and is very well liked by all the Board members. He has the necessary qualities that would make it very pleasant to work with and is a very well balanced man. McRae has a very intimate knowledge of the country elevator business, he has great capacity for detail and would be hard to replace so far as running a system of country elevators is concerned. He is an expert in that line. The more I know of experts, however, the more I am convinced that they cannot be allowed to have general supervisory powers, outside the particular department in which they are specialists. The man who can co-ordinate the activities of the various departments is not necessarily an expert but one with plenty of common sense to meet problems as they arise. If we can only get the right man in the right places we will be all right. I am in hopes that we can get things lined up properly. The trouble is there are so many have a say and you cannot do what you know should be done sometimes. I would like to see Ramsay manager of the pool and McRae for the time being at least manager of the Elevator Co. with a level-headed man like Moffatt as a co-ordinating link. Ramsay is a strong man and would work with anyone who would be at all reasonable.

Various individuals were considered as possibilities for the administrative staff.

April 6, 1926. I spent all day at the office consulting on office matters with Salter, Simmons, McRae, and Geo. Robertson. **14.** Provincial Board meeting all day. We met Mr. Thompson, Provincial Auditor for Alberta. He is an exceptionally fine man. I was greatly impressed by him and I hope we can get him into the organization. **May 17.** Got up at Calgary at 7.30. Had a long talk with H. W. Wood and Thompson. I believe Thompson is a very good man. He wants a fancy salary to come to the pool (9 or 10,000). Met John McFarland and had a very frank talk re our elevator situation in Saskatchewan. His assistant Charles Hall does not want to remain with the Alberta Pacific under the new management. He would like to come to the pool. I wish we could get him, for I believe he is just the man we want. Left Calgary for Regina at 2.10 P.M. **21.** We met at an elevator Board most of the day. **22.** Our Board met all forenoon. Adjourned at 1 P.M. to meet the 1st of June. We had some discussion on reorganization this morning, as to how we are going to man the new elevator organization and the management of the whole concern. I told of my inquiries about Hall and Wark of the Alberta Pacific and my general idea of management. McRae told the Board not to consider him personally in the new line-up—that he would fit in anywhere or quit altogether if thought necessary. It was a very fine spirit on McRae's part. **26.** Elevator and pool executive meeting all day. Bob Moffatt was present in addition to others. **27.** Elevator and pool executive meeting all day. Chas. Hall, Manager of the Alberta and Pacific Elevator Co., met the executive and made a good impression. I had lunch and dinner with him at the Kitchener. I think he is the man we want, even if we have to pay him a good salary. He has had a splendid training with John McFarland. We must find the right man and *get* him. There is too much at stake to take chances. **28.** Executive meeting all day again. We discussed — for manager of the pool. I think he is the type of man if he is quick and aggressive enough. I am afraid he is too slow but I may be mistaken. I would prefer seeing Ramsay take hold just now. Meeting adjourned. **29.** Spent all morning and nearly all day around the office. Brouillette was in. Had talk with Charlie King and Buck Evans. Went down to Milliken's office and had long talk over whole reorganization situation. I am going to make further inquiries about Hall, and if they bear out what I have learned so far, I am going to try and get him for manager. I am afraid — is incapable of getting the loyalty of the men under him. I took the evening train to Winnipeg. **31.** I met Mr. Tucker, Manager of Eaton's, after lunch and had an interesting talk. They pay their department managers as high as from \$15,000 to \$25,000 per year. Had talk with Norman Lambert and Sam Wark of the Alberta Pacific. Wark highly recommends Hall for manager of our elevator system. **June 1.** Arrived in Regina at 11 A.M. and was met at the station by Bill McNamara. Our Board sat from 11 to 12.30. Our executive met from 2 to 5.30 P.M. and discussed managership of pool and Elevator Co. **2.** Our Board sat all day discussing managership and treasurership of the pool and Elevator Co. We decided

to ask Hall to come from Calgary to meet the Board. We do not seem to be able to agree on a man for pool manager. I feel we must get a man who has experience and drive. 3. Board meeting all day. Mr. Hall of the Alberta Pacific was in attendance a good part of the day. The Board were very favourably impressed with him. I think Hall is the best man for the country elevators or as general manager. I doubt if he is qualified for general manager. We had Bob Moffatt ask Hingley if he would be interested in being pool manager. 4. Again Board meeting all day. We met Lowthian and appointed him treasurer of the pool. We also had a long discussion with Hingley and afterwards decided to offer him the pool managership. We decided to have the elevator staff in the Co-op. Building and the pool staff in the Sherwood. 5. Dundas, Brouillette, and Robson were around the office all morning. We met Hingley. He accepted the position of pool manager. I am very glad he is coming to the pool. I think he is capable and a good man to work with.

On June 3, E. G. Hingley was offered the pool managership at \$9,000 and Lowthian was appointed treasurer at \$6,500. J. D. Read, formerly treasurer of the pool, became treasurer of the Elevator Company. Mr. F. N. McLaren of the Saskatchewan Co-operative Elevator Company terminals continued as manager of the pool terminals.

June 15. Had lunch with Smith and talked over various men for manager of Saskatchewan pool elevators. 19. Board sat all day until 7.15 in the evening. We decided to appoint McRae manager of country elevators, at a salary of \$15,000. I think it is too high, and opposed the amount. It is nothing less than astonishing to see the generosity of a farmer board of directors regarding salaries. I have grave fears for the management of the country elevators. 23. I had a long talk with Charlie Hall and had lunch at the Palliser with him and John McFarland. Hall drove me around the city in the afternoon. I took the 5 P.M. train to Banff. I feel sure Hall is the kind of man we want in Saskatchewan and in the pool. I feel it is a great pity if we cannot get him. He has just the right ideas that would help to make ours a great organization. 24. Had long talk with Charlie Hall. He is still going to consider coming to Saskatchewan if certain things do not develop in Alberta. **July 13.** Spent all day at the office. I was rather busy. Met Lowthian and had long talk.

August 7. I spent all day in the office conferring with Hingley, Harry Marsh, Geo. Robertson, etc. **September 13.** Had talk with McRae before lunch. I spent the afternoon in the pool office most of the time with Hingley and Buck Evans. 20. We had an executive meeting all day and a meeting of the executive and managers and treasurers and auditors in the evening. 23. Board met at 8 A.M. and adjourned at 10.30 to meet in a pool elevator shareholders' meeting and annual elevator meeting at the Co-op. Building. I was elected unanimously as President of the Elevator Co. 30. Had long talk with Hingley. **October 7.** Arrived in Regina at 6 A.M. All day at the office. I called in McRae, Hingley, Lowthian, and Read. Marsh was

there too. There was evident bad feeling between the officials of the two offices.

McRae as manager of the elevators took over many of the best men of the organization. As a result there were numerous problems of adjustment for Hingley.

October 8. Marsh and I had a long talk with Read. **November 9.** I was around the office all day. . . . Brouillette was in, also Ramsay. We discussed reorganization of the Saskatchewan pool and elevator office. Ramsay and I went to Winnipeg on the evening train. **15.** Executive meeting all day. We discussed at great length the advisability of putting both branches of the business under one treasurer. **18.** Board meeting all day. We spent all day discussing a reorganization of the pool office. I am concerned with the position of — And I dislike very much disturbing —. I do not think he has followed the best possible course, and I think he is quite loyal. But some change is necessary. Had meeting all evening in my office with Brouillette and Lowthian and later with Brouillette, Hingley, and Read. **19.** Board meeting all day. We spent most of the day discussing the appointment of one treasurer for both branches of the organization. The Board finally decided to appoint one man and offered the position to Read. I am very sorry for Lowthian. He has not had a fair chance. I am sure it could have been settled just now with greater safety to the organization with putting — in Lowthian's place. I went to a picture show by myself for a little while. **20.** Board in session nearly all day. I found Riddel was appointed assistant treasurer in pool elevator office. Brouillette and I got in touch with Read at once to find out why he said on Friday he would appoint —. Read said McRae appointed Riddel without consulting him and that McRae had taken away his (Read's) authority over the staff in the elevator office and over the correspondence. I had a long talk with Read in the evening in my office, also had long talk with Geo. Robertson. Left office at 11.30 P.M.

21. Got up late and went to the office after taking my bag to the station. Had long talk with G. W. Robertson and Buck Evans. Also had talk with Hingley re his relationship to —. I told him the Board expected him to be manager. Took the train with the rest of the Board members to Winnipeg. The Alberta men were all on the train. **26.** Had long talk with Hingley re office reorganization. **27.** Got up late. Had long talk with Read at the elevator office in the morning and then talk with Hingley re office arrangements. Had lunch with Brouillette at the Capitol Tea Room. Spent most of the afternoon with McRae. **29.** Spent all day at the office. Brouillette was at the office in the morning. He and Geo. Robertson and I had lunch at the Capitol Tea Rooms. Had talks with Hingley and Read re office arrangements. Tom Moffitt was appointed office manager in the pool office today.

December 1. Saskatoon. Had breakfast with Bob Moffatt and a Mr. Murray from Bradwell at the King George Hotel. Spent the evening at the hotel talking to Bob Moffatt about office arrangements. I put in an hour at the pool office with Charlie King and Bob Moffatt. **6.** I spent all day at

the office. Had talk with Read and Hingley in the morning. I remained in the office until 10 P.M. with Evans, G. W. Robertson, and Hingley. Took the 11.55 train for Saskatoon. **22.** Toronto. Arthur Choate of Port Hope came to my room and we had a talk re assistant manager of Elevator Co. I was quite favourably impressed. **January 19, 1927.** — made a plea to the Board to have his salary increased from \$8,500 to \$10,000. For once the Board refused to take action. **February 22.** Had a talk with McRae after lunch. Moffatt, Brouillette, and I had long talk about office arrangements. **May 31.** Brouillette is upset at — and the situation in the elevator department. **September 13.** Executive meeting all morning. Brouillette and I drove around for several hours in the afternoon talking over the state of the organization. I went to Winnipeg in the evening, also Brooks Catton. **October 6.** Arrived in Regina at 10 A.M. and went to the office. . . . Attended a meeting of heads of departments in the Board room. **15.** Got home at 10 A.M. and spent all day in the office. Brouillette was in and Bob Moffatt. Graham, Secretary-Treasurer of the poultry pool, was in the office for a time. He wanted advice regarding — and his resignation. . . . **25.** Read, Milliken, Brouillette, and I had a conference re setting up a department to keep a record of the amounts of pool grain in each country line elevator and about the accounting system in recording deductions. **27.** At the office all day. McRae and Moffatt were in all afternoon. Went back to the office in the evening. **31.** Spent all day at the office. Geo. Robertson, Hingley, and Moffatt were all in for a considerable time. Charlie Coates was in for a long time in the afternoon. **November 24.** Went to the office about 3 P.M. Had talk with Brouillette re office arrangements, also with Hingley, McLaren, etc. **25.** Most of the day at the office. Had talk with Lawless re Mitchener and Laurie and placing Ross of Togo in Mitchener's place. **December 30.** At the office all day. Had lunch at Champs with Bob Milliken. Had conferences with Bob Moffatt, Robertson, and McRae. I took the evening train to Winnipeg. **31.** Had long talk with Sam Wark re coming to Saskatchewan. **March 23, 1928.** Executive meeting all day. We decided to recommend to the Board that Hingley's service be dispensed with. It is too bad but I do not know what else to do. **April 19.** I had a long talk with Hingley and acquainted him with the decision of the Board. He took it as well as a man could. Said it was a mistake from the first. **26.** At the office all day. . . . Went back in the evening and had a long talk with Tom Moffitt.

May 21, 1928. At the office all day. McRae sent me his resignation this morning to take effect May 31, 1929. I had a long talk with him. Had talk with Warren. **23.** Office all day. Very hot. . . . — came to me and told of a number of heads of departments who wanted to petition the Board to get — out of the office. I told him it would be quite advisable for themselves to take no further action. **24.** Holiday. I spent quite a bit of time in the office. **25.** Dunc and Jack Redford were in the office when I arrived in the morning. Had lunch with them at the Empire. — came again and told me the men who wanted — out were going to drop it.

On June 1 he wrote:

I believe that in the best interests of the health of the organization it is best to leave the responsibilities of dealing with the men in the various departments with the man in charge of that department. **July 20.** Board met in camera in the morning to consider the resignation of McRae. . . . I was strongly in favour of appointing J. D. Read assistant manager until McRae left and letting him make good there first. I was opposed to appointing him definitely manager now. The Board, however, as often before, wanted to go the whole way. . . . **August 24.** All day at the office. Brouillette was in all day and we went for a drive in the evening. He had some proposals to make re organization which in my opinion are quite impracticable. I went to Calgary on No. 8.

With the adjustments in management, office arrangements were improved. "**October 29, 1926.** Again meeting of delegates all day and evening. We spent all the evening session discussing a resolution to move the head office to Saskatoon. The directors all expressed themselves after which a vote was taken. The vote resulted in 44 for Saskatoon to 88 for Regina." An office was opened at Saskatoon with Mr. Charles King in charge. The elevator staff and the pool staff were eventually housed in the same building. "**February 21, 1927.** The question of the Sherwood Building purchase and the leasing of the ground floor, also putting the third floor in shape for pool elevators. **24.** Workers started on the top floor for the elevator staff. **May 13.** Arrived in Regina. Spent the afternoon in the office. Arbor Day. The Elevator Co. is moving into the Sherwood Building. **September 24, 1926.** I threw the first ball in the office bowling tournament after supper." A group insurance scheme for employees was sanctioned by the delegates in 1926 and introduced in 1927. It covered 1,016 employees.

Problems of the administrative staff led to friction among the elected officers and to the appointment of a liaison officer.

December 4, 1926. Arrived in Regina at 11.15 and went to my room and the office. Harry Marsh was at the office. I had some discussion with him re schemes of a section of the Board. **9.** Bob Moffatt defeated Brouillette for managing director. It will be a pleasure to work with Moffatt. **10.** Board meeting all day. Brouillette felt himself relegated to the scrapheap. The Board voted him an honorarium of \$2500.00 for past years' services. I do not consider he was entitled to it any more than any other member of the Board. . . . **February 23, 1927.** I was all day at the office. Brouillette told me last night he was going to resign as Vice-President—that he could not devote the time to the work, but that he would remain or be willing to remain on the executive. After all being Vice-President does not necessarily take up any more of his time than being a member of the executive. It is up to himself. He mentioned he was voted an honorarium this year but there was nothing permanent about that. I told him then that I

thought the voting to him of an honorarium was not only a dangerous thing from the standpoint of the organization but also a very dangerous thing from his own personal standpoint. He then intimated he would not cash the cheque for \$2,500.00 which he had received.

April 23, 1928. Executive meeting all day. Wesson and Brouillette are seriously urging that I resign from President and accept general managership of Saskatchewan organization. I think I will remain a free and independent citizen. **27.** Office all day. I went back to the office after supper and had a long talk with Bob Moffatt re general managership. Present situation and responsibility of various men in the office. **May 19.** Board meeting all day. John Maitland came up to the house in the evening. Most of the Board and perhaps all would want me to assume the position of general manager of all the Saskatchewan organization if they felt I could be taken from my present position in Saskatchewan and in Central. It would be very satisfactory from a permanent and financial and personal standpoint, but I do not think for the organization.

The size¹ of the Board made heavy demands on time and patience, especially with the enormous increase in responsibility.

August 13, 1926. Board meeting all day. Very slow progress. The greatest mistake we ever made was to have a Board of 16 members. The best and most valuable members are without exception the ones who have least to say. . . . **November 17.** Our Board was in session all day. Charlie Follitt came up from Winnipeg to give any information necessary to the Board. I had lunch with him at Fell's. . . . The impossibility of the size of our Board becomes more evident every day. We will be sitting continuously soon. **April 22, 1927.** Board meeting all day. Got into an altercation with —. If it is ever repeated I will use my position as chairman to see that he does not defy the Board. **May 27.** I had a letter of resignation to the Board from Dundas today. The Board were compelled to accept. I am very sorry for Dundas was a real Board member and man. **June 9.** We had a Board meeting at 8.30 in the morning to elect a man to the Central Board to fill the vacancy resulting from the resignation of Dundas. Catton was elected on the first ballot. **October 9.** — as usual took most of the time of the Board. **February 24, 1928.** Board meeting all day. For once and a wonder we got through Friday evening. **August 17.** Board meeting all day. Board adjourned at 6.30 for a wonder. It seems to have become customary to meet for a week. Too much of a disposition on the part of a few members to discuss and interfere with trivial matters of administration. I went to Winnipeg on the evening train.

The acquisition of elevators imposed a heavy task and brought serious dangers. Elevator points were sources of friction in the acquired elevators, in the selection of sites and construction of new

¹One is reminded of Bagehot's comment on the Bank of England. "There are twenty-four directors, a Governor and a Deputy-Governor; making a total count of twenty-six persons which is obviously too large for the real discussion of any difficult business" (*The Works of Walter Bagehot*, Hartford, 1889, vol. V, p. 156).

elevators, and in the problem of grading.² Two meetings of the 575 elevator agents were arranged at Saskatoon and Regina "to create a better understanding of the principles of the organization in the country."

August 11, 1926. There was a meeting of elevator agents for the southern half of the province. **October 5.** Called on pool agent at Tessier. He has handled 35,000 bushels of grain. Met one traveller Sutherland near Delisle. He is a good man. **6.** I left for Saskatoon at 12 κ. I called on the pool agents at Laura, Delisle, and Vanscoy. Smith of Delisle is a good man and I think also the man at Vanscoy. Smith has handled 50,000 bushels. The next man to him has 8,000. The Vanscoy man has handled 46,000. I called on Mr. Bennett, chairman of the local committee in Delisle. Also on Bill Loucks, delegate.

On **February 23, 1927**, he wrote: "All we want in our elevator agents is a very thorough knowledge of the country elevator and of the grain business and the ability to deal fairly and squarely with every farmer with whom he does business."

At the end of 1926-7, 1,055 Wheat Pool committees were in existence and they held 120 committee conventions during the summer. The field service staff of eighteen held 1,650 meetings.

September 20, 1927. Board meeting from 9 to 10 A.M. Meeting of elevator superintendents and field service men at 10 to 12.30—from 2 to 6.30, and from 7.30 to 12 P.M. A very good meeting. Several times I had to correct impressions made by statements of — and —. — also made foolish statements. Had lunch with Charlie King and Coates.

March 25, 1928. Spent all day in Elevator Executive meeting. . . . We let contracts for 15 country houses to the Harper Construction Co. . . . I took the 7.35 train for Montreal. **April 11.** I was at the office all day. We had an Elevator Executive meeting in the afternoon and selected a number of points for building.

Additional elevators were also leased in 1927.

April 29. Spent the morning around the office with McIntyre, Folliott, and MacLeod. In the afternoon McRae, Read, Brouillette, and I had a

²"Each elevator is in charge of an agent who is in the employ of the company, person, or pool that is operating the same. The responsibility of the agent is very great. He buys, grades, weighs, fixes dockage and shrinkage allowances, tests for moisture content and otherwise deals with the producer's grain. . . . On the whole so far as the farmer is concerned at least forty per cent of the wheat delivered in the Prairie provinces is finally graded by the elevator agent. . . . He should have a fair elementary education; he should be a man who can be relied upon to give accurate and honest weights and grades, he should have a good knowledge of grain and of the different varieties thereof, and of the various grades" (*Reports of the Royal Grain Inquiry Commission, 1928*, Regina, 1929, p. 20).

meeting with Crerar and Murray re leasing U.G.G. elevators in Saskatchewan. They were very reasonable. **30.** I spent all day at the office. Brouillette and McRae went over to the U.G.G. and completed arrangements to lease 10 elevators at a rental of \$1,265.00 each, subject to the approval of our Board. **May 2.** Met Jim Murray and talked over the purchase of four elevators. **23.** Marsh and I met Crerar and Murray and arranged to lease a number of country elevators. **September 24.** I went to the office in the morning. . . . Drove to McIntosh's. I had supper at Elfros and spoke at a big meeting at Wadena. Met the local committee after the meeting. I told them that if the people north of town did not object to moving the pool elevator from the C.P.R. to the C.N.R. where most of the grain is hauled, I would personally favour moving it. I said we wanted to settle the matter in a manner most satisfactory to the pool members at Wadena. I did not promise the elevator would be moved. It is a difficult situation for some of the north people are likely to object.

May 3, 1928. Geo. McIvor was in the office when I got back. . . . Met a delegation from Moose Jaw at 3 P.M. re Moose Jaw Inspection point.

August 12. Board meeting all day. Tommy Acheson of the C.P.R. met the Board after lunch re Moose Jaw as an inspection point.

During the year 145 elevators were acquired representing "one of the largest programmes of elevator extension ever undertaken in a single year in this province." It is probable that the demands for rapid extension of elevators, the low grade crop of 1926, and the problem of maintaining efficiency among the elevator agents contributed to grade losses totalling \$419,883.

Publicity was organized to support the organization throughout the province. "**May 21, 1926.** Board meeting all day. Turner and Waldron met the Board for a while in the afternoon in connection with printing, also McRobbie. Dundas, Ramsay, and I spent the evening at the King's Hotel with Harry Turner and Pat Waldron. **October 6.** I spent the evening with Harry Turner and Pat Waldron in the Flanagan Hotel." The field service staff was enlisted to increase subscriptions. Mr. Davisson³ who was a warm admirer of Mr. Sapiro, resigned on November 30, 1926, and was succeeded by Mr. H. Fry,⁴ formerly of the *Farmers' Advocate*. In April, 1927, a weekly broadcasting service was introduced. Care was taken not to antagonize influential groups and on **May 27, 1927**, McPhail wrote to Stoneman in a letter refusing to conduct business other than purchasing wheat. "The pool as a mercantile agency cannot

³See W. P. Davisson, *Pooling Wheat in Canada* (Ottawa, 1927).

⁴See *Proceedings of the First International Pool Conference which includes the Third International Wheat Pool Conference held at Regina, Saskatchewan, June 5th, 6th and 7th, 1928*, pp. 116ff., for an account of his policy.

afford at this stage, in any case, to invite a critical attitude on the part of country merchants and others who are undoubtedly more or less averse to extensive local trading on the part of farmers."

September 30, 1927. I had to speak to the Saskatchewan Newspaper Association at a luncheon given them by the pool. Attended newspaper men's dinner in the evening. **December 27.** I wrote a speech for the radio on Thursday and a letter to our elevator agents. **29.** All day at the office. Harry Turner and McRobbie were down and we had a meeting of a number of the office men re giving the Modern Press more printing. Bob Moffatt and I had a talk with Hamilton and Hedley Auld about the part to be taken in the Co-op. schools by the Department of Agriculture Co-op. Markets Branch. I gave a talk over the radio at 8.15. **February 4, 1928.** All day at the office. Dr. Merkley of Moose Jaw came up in the afternoon to talk over the question of the pool putting up its own broadcasting station at Watrous. **March 5.** Saw Motherwell and Johnston, Deputy Minister of Marine and Fisheries, re radio station.

The Board and in turn the delegates were extremely sensitive to the demands of wheat growers. "There is no system of government more sensitive to democratic control than the pool organization."⁵ Each member of the Board was compelled to respect the views of the growers in the annual elections, as a delegate, as a director, and as an official. The demands of this intensely democratic structure were heavy, particularly as McPhail was exposed to criticism for his opposition to those influenced by Mr. Sapiro and their success in the purchase of the Co-operative elevators.

March 12, 1926. I took the 8.45 Colonsay train to Renown, arriving there at 12.30. Saunders of Watrous met me there and took me to Watrous. Attended a banquet at 6.30 and addressed a large meeting at 8 P.M. Simmons of the *Producer* also spoke. Mainwaring, our agent at Renown, drove me to Renown where I took the 2.30 A.M. train to Regina. **30.** I drove to Moose Jaw and spoke on the Wheat Pool at the Kiwanis Club luncheon at noon. I addressed a pool meeting in the Y.M.C.A. afterwards. It was a very good meeting with about 50 in attendance. **April 5.** Spent all day in the office. I prepared part of the time a speech for the banquet of the Mortgage Men's Association of Saskatchewan. **June 10.** Took the 7.40 to North Battleford. Had lunch at Raeburn's (the pool field man), Charlie Davis, ex-M.P., his wife, and Houghton, the pool delegate, also had dinner there. We all drove to Mervin after lunch (64 miles). Quite a gathering there. Jack Rayner, Professor Hardy, Arthur Hayes, Hon. T. C. Davis, and myself made speeches. The people are fond of speeches. I had an unpleasant few minutes with a man from Viscount. We got back to North Battleford at about 1.30 A.M. I took the 7.40 train to Saskatoon. Jack Wesson got off the train

⁵*Saskatchewan Co-operative Wheat Producers Limited, Handbook No. 2* (Regina, 1927).

as I got on. I was to drive out to Delisle from Saskatoon, but it rained all morning and the Delisle people called the meeting off. Had lunch at the King George with Bob Moffatt. Spent a good part of the afternoon with Pat Waldron and Harry Turner. Visited the Co-op. office. Had supper with Grant Thompson and Kyle. Grant and I went to a picture show for a short time. I took the night Canadian Pacific to Regina. 17. Charlie King and I started out for Elfros at 8 A.M. and arrived there at 3 P.M. Had lunch at Lestock. I spoke to the gathering at 5.30. Had supper at Duncan McPhail's. We drove back as far as Semans, arriving there at 12 P.M. 28, 29, 30. Board meeting. I attended the Board meeting in the morning. Johnson and I drove to Melville in the afternoon. Met G. W. R. and Dundas there. We had a very good evening meeting. Dundas spoke well. Very hot day. Country is dry around Melville. July 1. I drove to Yorkton in my own car and drove with Dundas from there to Crystal Lake. I spoke to the gathering in the afternoon. Bartholomew, the red Communist, also spoke. There was a large crowd. 8. Attended my district delegates' meeting at Lanigan. Good meeting. 9. Arrived back in Regina. Took the 10.45 train to Moose Jaw. Charlie King drove me from there to Eyebrow. Geo. Emmons drove us out in the country. We had a banquet from 6.30 to 12.30 and drove to Moose Jaw afterwards.

14. Spent the day in Saskatoon. Met Sapiro. He was not anxious to talk to me. I spoke for about 20 minutes at the big Sapiro meeting in 3rd Avenue Church in the evening. The church was full to capacity. Sapiro spoke with his usual vigour and fluency. Some of his remarks were very petty and others very misleading, but he seemed to put them all over. I am convinced he is one of the most dangerous men, perhaps the most dangerous, to the Co-operative movement. 15. Spent the day in Saskatoon. Attended Canadian Club luncheon to Sapiro. He again showed his incapacity for fairness, but seemed to get it over nevertheless. I took the 5.50 train to Edmonton. I spent the time to Battleford with Learmonth. Met Alex Menzies at North Battleford station. 16. I spent the day in Edmonton, most of the time with John Brownlee. He is still ready to come to the pool if we want him. He told me of all the correspondence he has had with Sapiro. Sapiro again is meddling where he has no business. I took the evening train to Saskatoon and had to sit up all night. 21. Arrived in Regina at 10.30. Board was signing cheques. We started sitting as a Board after lunch. Sapiro addressed the Board yesterday and made a nasty attack on Geo. Robertson, Wilson, and myself. It is just as well I was not there, as there would probably have been fireworks. 23. Board meeting all day. A resolution was introduced to appoint Sapiro consulting counsel to the pool. It was withdrawn because of opposition. I am very much afraid Sapiro will bust up this organization yet. He says we have done better than any other organization of its kind. Then why not leave us alone. He brings discord and dissension wherever he goes. With him, Sapiro is first and last. A very able man in some respects, and an unbelievably small one in many others. 26. Drove to McIntosh's. I left there and went on to Foam Lake, where I had a good meeting. 27. Left McIntosh's about 10 A.M. for Regina. It was a very hot day. We arrived in Regina at 7.30. 29. Spent the day around

the office. Acted as chairman at the Co-op. rally in the Stadium in the evening.

October 8. Spent all day at the office. Buck Evans and I went back to the office in the evening and prepared a section of the directors' report dealing with the Central Selling Agency. Brooks Catton was in the office too. **9.** All day in executive meeting. Marsh, Catton, Coates, Buck Evans, and I. We spent most of the day on the directors' report. Also dealt with Group Insurance. **11.** Board meeting. We spent all the day going over the directors' report. Mr. Newbold, M.P. of London, called and I had a long talk with him. J. F. Booth also called. I had lunch with Ira and Mrs. O'Dell. They had snow at Saskatoon and down as far as Lumsden. **12.** Board meeting all day. We spent most of the time on the directors' report. I went to Winnipeg. **20.** Attended the Wheat Pool dance for a couple of hours. **26.** Board meeting all day. Christianson of Cooperative branch of the U.S.A. Department of Agriculture and Dr. J. F. Booth called. I met the delegates from my sub-district in my office in the evening.

27. Delegates met in annual meeting at 10 A.M. and sat except for lunch, until 6 P.M. They attended a dinner given by the Board of Trade. It was a well arranged dinner with a very large attendance of Regina business men. I asked — to speak in my place as I had a bad headache. . . . I will never ask him or anyone else to substitute for me again unless I am in bed. **28.** Delegates' meeting all day and also an evening session. **30.** I acted as chairman for four days at the delegates' annual meeting. We sat Thursday and Friday evening as well. We adjourned this evening at 6.15. I feel quite tired and it is quite a relief to have it over. . . . The delegates were very friendly. . . . After 10 P.M. I met a number of delegates and bowled until nearly twelve P.M. **November 26.** A committee of the Board sat all day and dealt with the resolutions left over from the delegates' meeting. They also went over the new contract. I didn't attend but for a short time. I put in most of the day in the pool office.

After the delegates' meeting and prior to his appeal for re-election, McPhail made an extended trip to his own district.

November 3, 1926. Malcolm Aird drove me to Tuffnell where I met Stoneman, Martines, and a *Star* reporter. We had a meeting at Tuffnell and Foam Lake. About 10 at the former place and 15 at the latter. **4.** Had long talk with Ross, pool elevator man at Foam Lake. Stoneman and I drove out to Malby School in the afternoon and to Edmore Hall in the evening but no one turned out. We stopped at McIntosh's. **5.** I went up to Bob McDougall's in the morning. Stoneman and I drove to Model Farm, but there was no one turned out. We drove right back to Allenby again, where we had a good meeting in the evening. The roads were in very bad shape. We stopped again at McIntosh's. **6.** Stopped at McIntosh's until afternoon, when we drove to old Mac's. We had a small but good meeting at Ladstock in the evening. Drove to Elfros and stopped at the hotel. **7.** We got up at about 8 A.M. and started for Saskatoon. I went up to Dunc's for a few minutes before leaving. Stoneman, Warren Hart, and another man and I stopped in Wynyard for breakfast. We got into Saskatoon at 5.30 P.M.

I had supper at Stoneman's. He has a very nice family. I spent the evening with Pat Waldron and took the 11.55 train to Regina.

December 7. Got into Saskatoon in the morning and went immediately to the Wheat Pool office. I met Mohagen, one of the new delegates, and we had breakfast together. Broten and Bowman were in all day too. The rest of the delegates did not get in until about 4k. I had lunch with Mr. and Mrs. McNaughton. Called on Turner and Waldron in the afternoon. Had supper with King and Jenkins. District 14 delegates met at 7.15 and continued in session until 1.30. I did not get to bed until 2.30. I was re-elected director. Campbell, Bibby, Colbourn, and Robson were defeated. 8. I put in all day mostly around the office. Met some of Robson's men from District 10 and some of my own delegates. Berven told me some of the things McNamee has been saying about me around Kelvington. Had lunch with Jack Wesson and Pat Waldron at the King George. I spoke over the radio at 9.30. Left on the midnight for Regina. Hask Robson came to my berth after I went to bed and had a talk.

On March 3, 1927, McPhail wrote that he hoped to go around the province more with Ramsay in the Central office and Moffatt in the Regina office.

March 4, 1927. Spent the morning in Saskatoon with King, Harry Turner, Mrs. McNaughton, and Laxdall. Met Wallace Stewart. Took the 12.10 train to Watson. Was met at the station by Oscar —. John Sveinbjornson was in Watson too. Addressed a meeting of about 150 in Watson Hall in the evening. Sveinbjornson also spoke. Had quite a talk with Mr. Riesen after. 5. Spent the morning in Watson with J. Sveinbjornson and Riesen. Took the noon train to Saskatoon arriving there at 4.30. Could not get a room at the King George and went to the Baldwin. Sam Haight and I roomed together. I spent the evening at McNaughton's. **June 17.** Morning at Elfros. I got Swinkie Christianson to drive me to Kelvington. We left at 11 A.M. and got to K. at 2.30. The roads were bad a good part of the way. There were only about 50 people at the meeting. I talked for 2½ hours. Jenkins was there. Webb acted as chairman. A number of questions were asked but the meeting was quiet. McNamee was not there. We left at 8 P.M. and got to Elfros at 11.10. Very warm, good growing weather. 18. All day at Elfros. I was going south but Duncan was taking in stock and loading car until 3 P.M. . . . Met a lot of farmers today. 19. Duncan, Mrs. Duncan, Beth and Bobby and I drove out south. I got out at Old Mac's and had lunch there. . . . We went down to Bob McDougall's and spent a couple of hours there. Called on Jack Thurgood. I arranged with Bob to clean out the brush and break out some of the sloughs where he is going to summerfallow. Had supper at McIntosh's. Got into Elfros at 9.15. 20. Spent the morning until train time around town. Took 10.45 to Saskatoon.

The crop of 1926 brought difficulties of grading.

October 6. They were threshing all along the line but the wheat was tough. **November 7.** There is about 70 per cent of the threshing to do yet

south of Elfros and the grain is tough and damp. It started to snow today. Never before has there been so large a proportion of tough and damp wheat. **December 10.** The Board spent all day discussing the grading problem. **June 7, 1927.** Board meeting all day, a good part of which was taken up with a discussion of the directors' report. **8.** Delegates' meeting all day. We had a very smooth running meeting. Pat Waldron and I had lunch at the Saskatchewan Hotel. I had a meeting with the delegates from District 14 until 11.30 at night. **9.** The delegates' meeting adjourned at 6 P.M. They passed a resolution endorsing all that has been done by the grading committee. It is too bad as that committee will be hard to hold now. The Board did not give me support in this connection. **10.** A large number of the delegates were in and most of the Board. Had a long talk with Adam Alexander.

In the autumn he made the annual visit to his district.

September 9. Spent all day in the office. Left Regina at the P.O. at 4.40 and made the first 34 miles from there in one hour. Got within two miles of Lestock at 7.40. Got stuck in a mud hole and had to walk into Lestock. Dunc pulled me out with a truck. **10.** Spent the morning in Lestock. Had lunch at Dan McRae's. Called at Fred McIntosh's. Had a very large meeting at Elfros. Geo. Robertson was also there. **11.** Called at Old Mac's and at McIntosh's. **12.** Drove from Lestock to Regina via Punnichy and Southey. Attended executive meeting all afternoon. **25.** Had talk in morning with Berven, Geo. Hope, MacMillan (lawyer), and John McPhail. I drove to Olie Halvorson and spent several hours there and then drove to McIntosh's. **26.** I called at Old Mac's, Bob McDougall's, and Bob Russell's. We had supper at B. McD.'s and called on Thurgood's. **27.** We called on Old Mac and on old Mrs. Russell. Had lunch at McIntosh's. We called at Hamilton's on our way to Leross. **28.** Went to Bob Beckett's, where I had lunch. Spent a few hours with E. Patrick. Called at Old Mac's and Bob McDougall's. Drove to Leross where I stayed all night. **29.** Drove out with Dunc to see the quarter north of Lestock I bought last summer. After dinner Mrs. McPhail and I drove back to Regina, arriving about 7.15. 4 fine days. A number of people starting to thresh. **October 29.** Got up at 7.15 and drove with Bob Milliken to Lestock for lunch. Met Dan McRae and Jim Nealy there. We drove to Atkinson's and he went with us to see the east half of 14 and the west half of 13. Then we drove and looked over Section 9. We had supper at Lestock with Dunc. Drove into Regina after supper arriving at 9.30.

At the meeting of delegates in November, 1927, compulsory pooling first appeared on the horizon, but created little disturbance. On **November 12** McPhail wrote that "so far as the Sapiro plan of making the pool compulsory after we secure 75 or 80 per cent of the crop in this province is concerned I think the less said about the scheme the better."

November 15. Delegates' annual meeting all day. **16.** Delegates' meeting all day. Board of Trade banquet in the evening at the Saskatchewan Hotel.

Very successful. 17. Delegates' meeting all day. 18. do . . . Ramsay and Bob Steele came home to supper. We had a meeting of Dist. 14 delegates in the office in the evening. 19. Delegates' meeting all day. . . They had a meeting and debate in the evening. "Resolved that we are in favour of a 100 per cent pool on the Sapiro plan." Brouillette and Marsh on the negative and Wesson and Sproule affirmative. 21. Delegates' meeting all day.

After this meeting he again began the campaign for re-election.

November 28. Spent the morning talking to Harry Turner and Pat Waldron. Took the noon train Canadian National to Margo. Harold Young got on at Humboldt. We had a very good meeting at Margo. Smith and a number of others from Invermay were there. Very cold and I had a very bad cold. About 60 present. 29. Young and I took the train to Humboldt where we had a meeting for 3½ hours. I talked most of the time. We had supper and drove 24 miles to Lake Lenore. We had a big meeting there, at least 100. Some of them were very dissatisfied over grading. I spoke for over 3½ hours. We drove back to Humboldt after the meeting, arriving there about 1 A.M. There were about 30 at the Humboldt meeting. 30. Young took sick—very bad cold and went back to Saskatoon. I took the 3.20 train to Quill Lake where I had a very good meeting. About 100 in attendance. Berven was there, also Ben — and Mr. Riesin of Watson—25 or 30 below zero. Meeting lasted about 3 hours. —, the elevator agent seems a capable man, but I am afraid a little hot headed. **December 1.** Spent the morning with Berven. I got word from Buck Evans that Berven was defeated for delegate. I spent some time at the elevator. Left Quill Lake at 11.25 and arrived in Watson about 12 K. and had to wait there until 5.25 to get the train to Pleasantdale. 65 men at meeting—lasted over 3 hours. Very cold. 2. Took 9.30 train from Pleasantdale to Lanigan, arriving there at 3 P.M. Met man named Rodgers, traveller for Searle Grain Co. There were about 40 at the Lanigan meeting. Lasted 3 hours—very good meeting. I took 7 P.M. train to Saskatoon and 11.55 to Regina. 7. Spent the morning with Turner and Waldron. Most of the afternoon I put in at the pool office. Called at the office of the U.F.C. and had a talk with Stoneman. All my delegates were in but Jenkins. The three new ones are good men. Our meeting lasted from 8.30 to 11.30. Very quiet. I was elected director. I took the 11.55 train to Regina. Over 30 below. 9. First meeting of the new Board. Rieder and Marsh Adams only new members. I was re-elected to my former office, President.

January 24, 1928. Spent the morning at the Saskatoon office and took the 12.30 to Leslie. There was a large crowd at Leslie. Mrs. Holmes, Simmons of the U.F.C., Harold Young, and I spoke. 27. I spent the morning around the office and went down to Colonsay on the noon train. I spoke there for over two hours. The hall was full. After supper I went back to Saskatoon. I took the midnight train to Regina. 31. Arrived in Lestock at 10 A.M. I had a big meeting at Allenby in the afternoon and one at the Round Plains school at night. Stopped at Dan McRae's. **February 1.** Put in most of the day at Dan McRae's. Dan and I walked over to Hamilton's for a while. Dan McRae drove me to Lestock where I stopped all

night. Had a talk with Billy Ferguson. 2. I spent the morning talking to Dave Cragg. We had a committee meeting in the afternoon. Bob Beckett, Glen Allen, Andy Hamilton, Ernie Patrick, and Bob Hamilton. Charlie Haile drove me to Leross. I stopped at Dunc's. 3. I got up at 4.30 and took the train to Regina via Melville. Got in at 10 A.M. and spent the day at the office. 8. I took the Moose Jaw local to Brandon. Met Cruickshank and Wilson on the train. We had a large meeting in Brandon—about 400 attendance. 12. Brouillette and I went to Central Church. . . . I took the 11.30 to Foam Lake. 13. Arrived in Foam Lake at 11 A.M. I had a very good meeting in the hall at 3 P.M. About 40 out. Ira and Mrs. O'Dell were there, as they always are at all meetings. 16. Burnell and I went to Binscarth, where we had a very big meeting at 8 P.M. . . . We took the midnight train to Winnipeg. 20. I went to Gull Lake. Met Stoneman, Paul Brett, and a number of others on the train. We had a big meeting in form of banquet—320 in attendance. . . . I spoke for an hour. We left Gull Lake at 12.30. 25. I got up to catch the 6.40 train to Fillmore. It didn't go until 7.40. I slept and missed getting off at Fillmore. I got off at Heward and caught the train back to Fillmore. I had a good meeting there. About 60 in attendance. Had lunch and supper at Arthur Menzies. Got back to Regina at 9.40 and got a ride home with Bob Milliken.

May 26. Spent morning at office. I started for Leross at 1 P.M. with Myra and Beth and arrived there at 5 P.M. . . . Drove with Dunc up to Lestock. Went out to see the quarter 3 miles north. Spent evening until 11 P.M. in Lestock. A great many in town. 27. Had breakfast at Dunc's. Lunch at Bob Steele's in Lestock. Drove to Hamilton's. Jimmy went with me to McIntosh's, Bob McDougall's and Old Mac's. I saw for the first time where the C.P.R. are putting a siding or station on 13. Got to Lestock 11 P.M. 28. Drove to Leross and paid taxes on 21. Took Lafontaine out to 21 to see about cutting scrub for breaking. Had lunch in Lestock with Fred McIntosh. Spoke to Glen Allen about breaking. Left Lestock at 1.30 and arrived Regina 5.10. **June 8.** Saskatchewan pool delegates' meeting all day. Strang from Alberta and Gellie from Manitoba attended. 9. Delegates' meeting all day. 11. Delegates' meeting all day. Finished about 11 P.M. They seemed pretty well satisfied.

Arrangements were made to finance the elevator facilities.

October 1, 1926. Read and I had a conference with Rice-Jones, Major Blake, and a Mr. Martin re cancelling car and general insurance on 125 of our elevators. **January 8, 1927.** Toronto. Met Bodin and Hope, who wanted to know if we wanted to do any financing in our Elevator Co. **February 5.** I went to the office in the morning. Called at the Dominion Securities and met White, Vice-President, Faulkener of London, Vice-President, Hope and Bodin. Talked over the possibility of raising money and paying the Co-op. cash. White said the pool would have to pay as much interest but if they could get a discount for cash it would make it cheaper. The payments spread over 15 years would mean \$700,000 per year. I called at the U.F.O. office and met Clemens, Drury, Morrison, Jefferies, Garland of Alberta, and Burnell. . . . I took the 11.20 train to Ottawa. 21. We had a meeting in the

afternoon re floating a bond issue with Dominion Securities and the possibility of getting a discount for cash from the Co-op.

With purchase of the elevators and the application of patronage dividends, McPhail and Brownlee argued for exemption from income tax.

January 12, 1927. Arrived in Ottawa in the morning and breakfast with Brownlee and his brother-in-law. Brownlee and I put up the case of the pool to be exempt from income tax to Mr. Euler. We pointed out that the Elevator Co. is a subsidiary of the pool and if the pool is exempt the Elevator Co. should be. We simply use the Elevator Co. as part of the machinery to sell the farmers' grain. The pool holds all the stock in the Elevator Co. Any surplus we have at the end of the year is simply an excess charge, and belongs to the farmers. I pointed out that we seriously considered at one time making no charge at all when the farmer delivered his grain, and deducting the cost of handling the grain from the proceeds of the sale of the farmers' grain at the end of the year when we knew what the actual cost was. The earnings belong to the farmer and he is the only one who should be taxed.

13. Brownlee and I had an interview with Breadner, Graham, and a legal adviser re liability of the pool Elevator Co. for income tax. We had a long discussion. We outlined the nature of the pool organization and the relationship of the Elevator Co. to the pool. Simply a subsidiary owned and controlled by the pool. All the stock is owned by the pool, and according to contract, all the profits or earnings as result of excess charges must be returned to the growers in proportion to the amount of grain put through the Elevator Co. The whole pool organization is based on the principle that we are organized for purpose of selling our members' wheat and all earnings are returned to the grower members in proportion to the amount of grain put through our elevators and not apportioned according to capital stock. They mentioned the fact that we handle non-pool farmers' grain, and the profits on that is mixed up with the profits on members' grain. We pointed out that the grain handled for non-pool farmers was special bin, and the charge on S.B. was not enough to cover the cost of handling. We pointed out that the U.S. law exempted the profits of Co-op. organizations even when these profits were partly secured by handling non-members' products, providing the product handled for non-members did not exceed 50 per cent of the whole. When it was pointed out that we would handle this year perhaps only 2 or 3 million non-pool grain out of a total of 75,000,000 or around 4 per cent, Breadner said that phase of it would not affect their decision regarding whether or not the elevator surplus is taxable. He did say at the beginning of the interview that the surpluses of other co-op. organizations which handled non-members' products were taxable because the surplus arising from non-members could not be considered or dealt with differently from the surplus of members without discrimination. We pressed very strongly that the whole organization is on a non-profit basis, and mentioned that we had considered last year making no charge when the farmer delivered his grain. We agreed to send them a copy of each provincial Act, Contract growers' memorandum of Association, Memorandum of Elevator agreement between Ele-

vator Co. and pool. The manner in which the deductions are credited to pool members and the manner of distribution of surpluses, also arguments. Called up Dunning. . . . Brownlee and I went across to Hull for supper and to a picture show after 9.30. Left Ottawa for Winnipeg at 1.15 A.M.

Plans were made to protect the grain growers against mortgage assignments in provincial legislation but were not pushed, "**February 22.** All day at the office. Marsh, Moffatt, Brouillette, Hingley, Symonds, and I met Thom, Ferguson, and——representing the Mortgage Co.'s re legislation regulating assignments. They opposed legislation providing that an assignment would have to be accompanied by growers' certificates. After they left we decided not to ask for this particular legislation this year. Brouillette lost his temper because the rest of us did not agree with him."

In the annual report dated November 15, 1927, the pool had 85,059 contracts in Saskatoon. Deliveries totalled 119,488,976 bushels for the crop year 1926-7 or 57.7 per cent of the total crop. A final payment of 12 cents on October 19 brought the total to \$1.42 (No. 1 Northern, Fort William). In spite of high transportation costs due to an early freeze up on the lakes and to the coal strikes in Great Britain, and of excellent crops in the Argentine and Australia, the price of No. 1 Northern was only three cents below the preceding year. On November 1 the pool had 38,972 coarse grain contracts and accepted deliveries of 8,367,339 bushels or 25.4 per cent of the 1926-7 Saskatchewan crop. During the year the pool operated a total of 586 elevators which handled 69,848,254 bushels of pool wheat, or 73,661,297 bushels of pool and 6,348,750 bushels of non-pool grain. Cost of operating the pools totalled $\frac{1}{2}$ cent per bushel, but profits⁶ of the elevator system totalled \$539,941. A deduction of 2 cents per bushel to acquire handling facilities totalled \$2,513,637 and a commercial reserve of 1 per cent totalled \$1,660,136. The latter was "kept in a liquid state. It is lent to the Central Selling Agency and helps finance its operations." In the year's operations for 1927-8 deliveries totalled 127,591,846 bushels of wheat, of which 38,273,690 bushels was No. 3 Northern and 21,987,-

⁶Elevator profits for 1925-6 were distributed as a patronage dividend at the rate of 2 cents per bushel on wheat and 1 cent on coarse grains and of $1\frac{1}{2}$ cents on wheat and $\frac{1}{2}$ cent on coarse grains shipped over platforms to pool terminals. In October, 1926, the delegates voted to use these profits for the acquisition of elevators. They were credited with the earnings, however, and paid 6 per cent. See H. S. Patton, *Grain Growers' Cooperation in Western Canada* (Cambridge, Mass., 1928), pp. 260-1.

648 Tough 3 Northern. Payment of $1.42\frac{1}{2}$ cents was made on the basis of 1 Northern Fort William. Elevator deductions totalled \$2,683,162 and commercial reserve \$1,579,087. The pool operated 727 elevators.

Acquisition of the elevator system of the Saskatchewan Co-operative Elevator Company and addition of elevators by other devices led to demands for the right of the pool member to designate the terminal elevator for his grain. Mr. Crerar of the United Grain Growers had succeeded in thwarting the recommendations of the Turgeon Commission in 1924, giving the grower that right.

October 22, 1926. Mr. Motherwell came in about 5 and remained until after 6 P.M. **January 12, 1927.** Talked over amendments to the Canada Grain Act. Had talk with Motherwell. He mentioned again the Campbell amendment, the head office of the Board of Grain Commissioners and that outward inspection at Fort William should be the same as at Winnipeg. **February 6.** I spent most of the time reading the Turgeon report, Canada Grain Act, etc. **7.** Bob Milliken and I spent some time discussing the amendments we are asking for to the Canada Grain Act. I had a talk with Mr. Motherwell at 12 K. re these amendments. He is quite in sympathy. Called up Dunning, but he was not in. Met Mooney, Bryant, and Rankin of Regina, Howe of Port Arthur and Symington of Winnipeg. Bob Milliken and I met Premier King and Malcolm, Minister of Trade and Commerce, at 3 P.M. Had only a short conference. Malcolm seemed quite friendly to our suggestions re Canada Grain Act, and Mackenzie King decided to call down the Board of Grain Commissioners. Mr. and Mrs. Milliken and I went for a cutter ride, and in the evening went to a show. I took the 11 train to Toronto. King was quite charming.

10. Arrived in Winnipeg at 10 A.M. and went direct to the office. The Board were in session. All members present. We adjourned at 6 P.M. Spent the evening at the hotel with Dundas, Earnie Parker, and Jim Murray. Alberta and Manitoba objected to an amendment to the Canada Grain Act providing that the out-turn grade should be the same from the terminals as that passing inspection at Winnipeg.

The difference in point of view between the Saskatchewan pool with its extensive elevator system and the other provinces was evident.

11. All day in Winnipeg with Ramsay, MacLeod, Smith, etc. Bob Steele took me over and introduced me to Jim Fraser, Chief Inspector. I had a talk with him about our amendments to the Canada Grain Act. **12.** All day in Winnipeg. Nearly went to Ottawa on the 5 P.M. train. Had a talk with Searls re maintaining a higher standard of our wheat. Spent all day around the office with Ramsay, MacLeod, Smith, Burnell, Hoey, and Mahoney. **13.** Took the 10.30 A.M. Canadian National train to Ottawa. Milliken wired me to come. Sir Henry Thornton was on the same train in his private car.

15. Arrived in Ottawa in the morning and met Bob Milliken. Put in busy day. I called on Motherwell first re Co-op. branch. Met there W. Waldron and P. M. Anderson. Bob Milliken and I had a long interview with Malcolm at 11.30 re Canada Grain Act amendments. He phoned the Board of Grain Commissioners to come from Montreal. I had lunch with Charlie Dunning. Then had a long talk with Geo. Spence and Dr. Donnelly re amendments. We spent a couple of hours in the gallery with Geo. Spence and heard a very interesting debate. Bob and I had an interview with Robt. Forke and asked him to consent to have the Soldiers' Board sign a pool contract. We had a very unsatisfactory meeting in the evening with Malcolm and the Board of Grain Commissioners. I took the 11 P.M. train to Toronto.

March 31. Marsh came in this morning. We had a conference with Motherwell re Grain Act and Mussolini Wheat Conference. Attended Private Bills Committee to hear the Baptists' Controversy. Met Willoughby and a number of other Senators. Marsh, Burnell, and I had a short interview with Malcolm re Canada Grain Act. Milliken went back to Montreal to see Ross, Secretary of Bankers' Association re amendments to Section 88 of Bank Act. Met a large number of members. Burnell, Marsh, and I went out to M. N. Campbell's for supper.

April 1. Marsh and I roomed together last night. We got up fairly early. Spent all day about the Buildings. Milliken came back from Montreal at noon. He got the consent and co-operation of Henry Ross, Secretary of the Bankers' Association to the Bank Act amendment which will enable the pool and pool elevators to borrow money on grain in country elevators under Section 88 of the Bank Act. R. H. Milliken and I met Robb, Minister of Finance, at 10.30. Elliott, Minister of Public Works, was with him. The Grain Act amendments went through the Commons without discussion.

4. All day around the Buildings. Leighman and I saw Elliott re breakwater at Port Arthur. R. H. M. and I saw Robb re Bank Act amendment. He refused to open Bank Act this year. I had a short talk with Mackenzie King in the evening re amendment to Canada Grain Act.

5. Marsh, Milliken, and I had lunch with Motherwell and Dunning. Had talk with Willoughby and others.

6. All day around the Buildings. Attended the meeting of the Railway Committee and heard Harry and Winfield Sifton.

7. Attended the meeting of the Banking Committee of the House of Commons and the Railway Committee of the Senate in the morning. Attended the Banking Committee of the Senate all afternoon and heard the amendment to the Grain Act debated. A very able debate on the part of the Senators themselves. We did not have to present any evidence. Bob Milliken explained why the proposed amendment of the Board of Grain Commissioners was not acceptable to the pools. Our amendment carried by 1 vote, 14 to 13. We had supper with Brownlee and Marsh. . . . Spent some time with J. E. B. in his room before I left for the West on the 1.30 A.M. train.

Under the Campbell amendment (17-18 Geo. V, c. 41, 1927) elevator companies were obliged "to deliver the farmer's stored grain in such terminal as he designates."⁷ **"June 4.** I attended a

⁷Patton, *Grain Growers' Cooperation in Western Canada*, pp. 264-5.

meeting of elevator superintendents with Geo. Robertson, Bob Moffatt, D. McRae, Tom Guild, Buck Evans, Hingley, and Fry to discuss the Campbell amendment to the Canada Grain Act."

As a result of this legislation and the low grade crops of 1926 and 1927 the provinces became more actively interested in terminal elevator facilities. The policy of control over terminals by Central was reversed. A subsidiary company, Saskatchewan Pool Terminals, was formed "in order that the warehouse receipts issued by pool terminals nos. 4 and 6 (which are operated as public terminals) might be registered so that the grain on hand in the elevators could, if necessary, be delivered on the option."⁸ Its terminals 4, 5, and 6 at the head of the lakes handled 75,791,075 bushels of grain of the 1926 crop. Driers were added in terminal no. 6 "to handle part of the heavy and damp wheat which it was necessary to dry last season." The Buffalo terminal owned by the Saskatchewan pool and leased to the Central Selling Agency was returned to its owner.

Pool terminal (no. 7) was planned and built at Fort William.

December 5, 1927. I met Mr. Carter of Carter, Halls, Aldinger re terminal elevator. **9.** C. D. Howe met the Board re construction of a terminal at Port Arthur. **10.** Board meeting all day. We decided to call for tenders for construction of a terminal at Port Arthur—6,000,000 storage and 900,000 workhouse capacity. **April 18, 1928.** We let contract for new 6,000,000 bushel terminal. C. D. Howe met the Board. Board meeting all day. Mr. Richardson of New York, inventor of automatic scales, met the Board. **24.** Executive meeting all day. . . . Richardson met executive in connection with having his scales placed in our terminal at Port Arthur. It had five automatic car dumps and an unloading capacity of 350 cars per ten hour day. In 1928 terminal no. 8 was leased from the Canadian Pacific Railway and increased the storage capacity of the Saskatchewan pool at the head of the lakes to 26,025,000 bushels.

October 23. Meeting of the three Boards all day until 5 P.M. The three Boards went to Port Arthur on the 5.40 train. **24.** We inspected the new terminal no. 7 in the forenoon. Howe gave a luncheon at 12.30. We inspected the harbour on a launch after lunch and attended a pool banquet at 6.30. McRae, Cowan, M.P., Dr. ———, a C.N.R. man, and I spoke. McRae, Milliken, G. W. R., and I went to Winnipeg on the 10 p.m. train.

⁸"**October 2, 1926.** Had a talk with McLaren and the auditor. **18.** Had talk with McLaren about terminals. **March 10, 1927.** Frank Ross was up from Fort William and recommended closing no. 3 elevator which we decided to do. **December 3.** Smith, McLaren, Bob Milliken, and I had a meeting in the morning about Saskatchewan pool elevator becoming members of the Grain Exchange also a drier at no. 6 and holding space in terminals for damp wheat."

CHAPTER VI

EXPANSION OF CENTRAL SALES AGENCY

A CARRY over of twelve million bushels from the crop year of 1925 to that of 1926 led to warnings from the banking committee, which reinforced McPhail's anxiety for a more aggressive sales policy. "November 12, 1926. McPherson, Ramsay, Gourlay, and I had an unsatisfactory interview with S. L. Cork, chairman of the lending bank committee."¹ In spite of these demands, Mr. Smith as sales agent tended to discourage an active policy. In answer to criticisms as to the price of the 1925 crop, \$1.45 per bushel, he claimed that it was a result of successful and judicious selling.

Since the pool has the majority control of the Canadian crop it is not the grain exchange that makes the price but the Canadian pool. . . . It is therefore certain that if our price is actually fixed by the world's supply and the world's requirements that our aim must be to raise our parity to as high a level as possible over the values of other countries' wheat. I believe we have been successful in accomplishing this through our system of not attempting to market when importers are not anxious buyers. With the increasing importance of trusts and amalgamations in the milling industry in the United Kingdom, France, and elsewhere, Canada should concentrate selling through the pools rather than dumping on the market.

He claimed that Manitobas were trading at a discount with other wheats in October, November, and December, 1925, but at a premium from January to October, 1926, of from 3 to 13½ cents a bushel when at least half the crop was sold.

October 4. All day in Board meeting and shareholders' annual meeting. Brouillette attended on behalf of Saskatchewan. I was re-elected President. I had supper with Roy McIntyre and Charles Follitt. They made some very pointed suggestions re central organization. **18.** I had a long talk with Smith, McIntyre, and Follitt re selling policy. I want them to consider wheat prices good for this time of year and under present conditions and so to regulate their actions in selling. Always carefully. **20.** Regina. Spent all day at the office. I talked to — re selling. They sold 1,000,000 bushels yesterday and 400,000 today.

On November 10, Smith reported that about 50,000,000 bushels had been sold and that ocean freights were tight as a result of the

¹**October 15.** Ramsay, McPherson, Tod, and I met four of the bankers' committee on interest rates. Got no satisfaction.

coal strike in England and that Argentina and other countries got cheaper freights.

November 11. Board meeting all day. We had Folliott in most of the afternoon discussing his new costing system. Brownlee was in part of the afternoon. McPherson and I spent the evening with Brownlee. **12.** We discussed selling policy with Smith in the afternoon. I am not satisfied that he has sold as much as he should have this last month. **24.** We had Smith, also McIntyre and Folliott, in to discuss selling policy. **December 15.** Spent all day until 4 P.M. on the train. After we got into Winnipeg, Ramsay, Dundas, McPherson, Jensen, and I had a meeting in Wood's room. We discussed the question of getting a new chief salesman. We talked of Jim Murray, Jim Donohue, and Fred Anderson. **February 18, 1927.** Arrived in Winnipeg at 10 A.M. and went to the office. Had talk with Smith, McIntyre, and Folliott. Am not at all satisfied with our market position. We have not enough wheat sold. **March 8.** Spent all day around the office. Had lunch with Bob Steele at Eaton's. I am better satisfied with our selling position than I have been this year so far. **10.** All afternoon we spent with Smith and Folliott. — as usual wasted a great part of the time trying to convince the Board it should not sell wheat or at least sell much more slowly.

In April it was moved by Mr. Wood, seconded by Mr. Jensen, "That if October wheat salable at \$1.35 or better that the sales manager be instructed to commence selling in reasonable quantities." **May 3.** Spent all day until 4.45 with Wood, Strang, Ramsay, and Brownlee at the office. We are doing a very large business these days in selling on a rising market. We took the 4.45 train to St. Paul. **23.** I had a tiff with — in connection with Canadian millers and our dealings with them. Burnell, Ramsay, Marsh, and I had a meeting with the salesmen re selling October coarse grains. Ramsay and I called on Horne of the Western Canada Flour Mills and Norman Lambert." In July Smith² re-

²His views were expressed in part at the Second International Co-operative Wheat Pool Conference in May, 1927. "The secret of success for the wheat pools lies in the fact that instead of the old system of the buyers naming the price we have merely changed this around to the regular process followed by practically all sellers of any commodity, namely, that the price is fixed to a large extent by the owner. . . . A very large portion of non-pool grain is marketed before the first of January with the result that on account of the pools' policy of conservative marketing we usually find ourselves in the pleasant position after January 1 of being practically in control of the entire Canadian wheat surplus. This, of course, gives us a wonderful advantage as our policy of securing as high a price as general world conditions warrant is not interfered with to any extent by the selling of individual traders. This is a condition which we have experienced on this crop and evidence of success in taking advantage of our control is shown in the premiums we are securing over other markets. . . . In other words, we govern all our

ported a sale of 8,000,000 bushels and stocks of Manitobas in European hands. "The mere fact that we have held up the price at a high level all month did not, I think, affect to any extent our making sales because if there was any demand for Manitobas we would have done the business because of the fact that the control of Canadian stocks was almost entirely in our hands."

The policy of Mr. Smith was partly a result of the necessity of conciliating Alberta with its longer experience with pooling operations and its advantages of an alternative route to the Pacific. Moreover, the possibility of controlling his policies by the appointment of a general manager was handicapped by the demands of the political movement in that province. The success of the Farmers' Government involved limitations on its contributions to the pool. Premier Brownlee was unable to accept the pool's offers because of political demands, and he did not firmly reject them because they strengthened his hands politically in the Government. He even made demands on the pool organization by appointing directors of the pool to his cabinet. Throughout McPhail was compelled to accept compromises and to make adjustments in many cases of an unsatisfactory character.

August 25. Brownlee told me he was favourably disposed to take the general managership of the pool. He has called a meeting of the farmer members of the Legislature for September 7, to consider a new leader. **September 17.** All day again at Board meeting. Brownlee attended the meeting all day. I had supper with him and spent the evening in his room at the Fort Garry discussing the question of his coming as general manager of the pool. I think he is going to come. **November 24.** Tony McPherson told me this is his last Board meeting as he is going with the Alberta Govern-

offers according to the demand and many times during the past season we have been forced to withdraw our offers entirely for periods of from one to three days. The price of Canadian wheat during the past four months has only fluctuated about 5 cents per bushel, which proves if we are given the full control we will have little difficulty in stabilizing prices. . . . With these terminals we are always assured of a steady supply of wheat and are in a position to load lake steamers without any delay. On account of the volume of wheat which we ship we are able to secure lower lake freight rates than other shippers. . . . We are, of course, the largest individual charterers of ocean tonnage in the market today. Therefore, we naturally attract a very large percentage of the tonnage that is available for grain and as a consequence are often in a position to secure more favourable rates by our willingness to take on a large line of space. There is no doubt that control of volume is bound to place one at a distinct advantage over one's competitors."

ment. I was very sorry to hear it for Tony is a real man and we can ill afford to lose him.

March 19, 1927. Board meeting all day. Smith was up from Winnipeg. . . . Took the 11.20 train to Calgary with other members of the Board. **20.** Arrived in Calgary at 4.30. Most of the Saskatchewan Board spent the evening in the sun room of the Palliser Hotel singing hymns. I went for a long walk with Kennedy. **21.** All day spent in meeting of the three Boards. Mr. Wood acted as chairman. — and — took up most of the time. I spent the evening in the hotel with Jensen and Strang of the Alberta Board and Bob Milliken. **22.** Most of the day again in meeting of the three Boards. We adjourned at 4 P.M. and the Central Board met for an hour. We attended a banquet at 6.30 arranged by Alberta. There was a good programme. Wood, Burnell, and I had to make speeches. Smith of the *Calgary Albertan* also spoke. Spent the balance of the evening with Brownlee. I am sure he would like to come with the pool. Took the 1 A.M. train to Regina. **April 14.** Board meeting all day again. — had a hot session with — again. Brownlee came in just before lunch and remained all day. Burnell and I had dinner with him and got a promise to decide next week whether or not he is coming to the pool. . . . Met Jim Stewart at the hotel with Wilson at 10 P.M. Left Winnipeg on No. 1. **June 1.** Wood and I went to two shows in the evening and talked till very late re general manager, etc.

The problems of the Saskatchewan pool also had repercussions for the Central organization. The demands of Alberta facilitated the entrance of representatives of minority groups from Saskatchewan to Central. Ramsay's opposition to the purchase of the Saskatchewan Co-operative Elevator Company was a factor contributing to his resignation on May 31, 1926. "**July 13.** Talked to Ramsay's delegates. They prevailed on Ramsay to remain as director for which I am duly thankful." His opposition to the purchase did not improve his popularity with some members of the Board and he became more actively concerned with the problems of Central.

November 12, 1926. We appointed Ramsay as Board representative in the office against the strenuous protest of —. He has been talking to — who is opposed to Ramsay going in. He wants me to go to Winnipeg and make room in Regina for —. **13.** Ramsay and I spent the day around the offices. . . . Ramsay and I went home on the evening train. **24.** We had a meeting of Central Board all afternoon. Ramsay announced he was not going to stand for election as director again. —, McPherson, and Wood afterwards urged Ramsay very strongly to take the Central appointment.

On January 19, 1927, Ramsay wrote of the relative inefficiency of the Winnipeg office. "**January 28, 1927.** All day with Ramsay. I am quite pleased at the way he is taking hold." In February he was appointed director.

The development of an aggressive sales policy involved not only more direct control in the Central office but also the cancellation of agreements, which characterized the early stages of selling policy, and direct representation in markets abroad. A contract for two years with J. Rank Limited of England in 1924, apparently arranged through Miss Reese, secretary to Mr. Sapiro, came to an end in August, 1926. Sapiro in a letter to McPhail dated August 2, complained of Smith's conducting the pool "as a great commission house" and urged that the appointment of Brownlee would overcome the objection of Smith to the contract. He suggested the importance of direct contact with buyers in making quick sales. Agreement to a new contract with Rank was not sufficient to suit Mr. Sapiro and led to determined efforts to influence sales policy. "**August 6.** Had long letter from Sapiro re arrangement for supplying wheat to Ranks. **October 26.** I had supper with Brownlee at the Kitchener. He read over to me the correspondence he has had with Sapiro. It is conclusive evidence of the sinister character of the influence Sapiro is trying to exert."

McPhail suspected him of influencing members of the Saskatchewan Board.

November 26. Had supper with Brooks Catton. We discussed quite frankly Saskatchewan and Central problems and the evident desire of some of the Saskatchewan Board to get me to go to Winnipeg and make room for someone else in Regina. **December 9.** The first meeting of the new Saskatchewan Board. I was elected President; Brouillette, Vice; B. was also defeated for the Central Board. — and his supporters intended up until this week to have me go to Winnipeg, making room for Brouillette as President in Saskatchewan. They were not able, however, to carry out their plans. They are determined by any means to have Sapiro get his hold on the pool. They may not think that that is what they would be doing. It is hard to put up with a faction that is continually trying to work things to put a certain man forward. **11.** I spent all day with Smith, McIntyre, and Folliott. Had lunch with Smith and McIntyre. Smith had some letters of Miss Reese. One from Miss Reese to Brownlee and a great many notes of Miss Reese on pool selling policy. They were quite interesting, but I had heard it all before from Brownlee. She and Sapiro are quite evidently determined to get control of the selling policy of the pool. She says Sapiro is an asset to the pools and the world. He has lost a lot of money in connection with the Ford lawsuit and has to accept work of any kind to replenish his financial resources. She would, if working for the pools, have him for counsel and give him enough to enable him to work at pool work all the time in different countries. I took No. 1 back to Regina. **12.** Arrived back in Regina at 10 A.M. It is very cold and stormy. Went to Knox in the morning and had talk with Brouillette in his room at Wascana. He told me he had an

appointment today with Miss Reese at Saskatoon, but last night thought he had better not go because he had not mentioned it to me. —, in the evening, told me the real reason he did not go. — phoned him from Saskatoon Saturday evening and told him not to come. He did not tell him why. Brouillette did not know why he didn't go to Saskatoon when he was talking to me. He didn't know that I knew since Wednesday he was to meet Miss Reese on Sunday and that he and I were together at the Board meeting Thursday and Friday when he had lots of time to tell me. He is, to say the least, a secretive man. 13. All day in Board meeting. Brouillette met Miss Reese at the train from Saskatoon this morning and had a talk with her. He arranged lunch with her for me, Bob Milliken, and himself. I missed the lunch. Dundas and I went over to the King's Hotel and had a talk with her in the afternoon. She didn't tell us anything new. She did not care to meet Dundas nor, in fact, me. She really did not intend meeting any but Brownlee and Brouillette when she came west. She and Sapiro are determined to get their hand in the pool. 14. Miss Reese met the Board for an hour. She made a very poor impression. She did not feel at home. It was a good thing she did meet the Board, for she can do little harm to the organization now that the Board have seen her. Ramsay, Dundas, and I took the evening train to Winnipeg. **June 3, 1927.** Arrived in Regina and went to the office. . . . I spent a couple of hours with Bob Moffatt, Geo. Robertson, and Bob Milliken talking over Sapiro's forthcoming visit and various pool matters.

Facilities were extended for the sale of wheat in Eastern Canada and for its export and sale in Europe.

December 22, 1926. Leitch [Toronto office] told me of the business he is doing with the Ontario mills—over 400 of them. He said we were in some danger of losing money with some of them at some time if there was a big drop in wheat and any of them refused to take delivery. If such a thing happened, and we had to resell, we would naturally lose. I think we always have to take such risks. The best safeguard we can have is never to let a mill have wheat until it is paid for, which policy, Leitch tells me, is always strictly followed. He says the pool will save a good deal of money by having its own office in Toronto do the invoicing rather than have it done through Thompson and Earle, as has been the case in the past.

He sold a number of dealers, amongst them the U.F.O. (Jefferies), screenings c.i.f. They were loaded at Fort William and the boat had to turn back on account of ice. These people are out their screenings. He thinks we should hold them and deliver in the spring at the same price. We would only be out interest and insurance. I think we should. We want to build up a strong, permanent organization and establish confidence amongst those doing business with us. We are selling screenings throughout Ontario. One man went around in September selling screenings to dealers throughout Ontario at a low price. He didn't deliver a bushel. They were selling around 14 and 15 per ton in the summer. They were put up as a result of shorts going in to buy. Leitch thinks screenings should sell around 20 or 21

per ton. If we try to hold them for higher price we simply make the farmers turn to buying corn. He says he will turn in 5 or \$6,000.00 to the head office this year as commissions on screenings sold for Superior Feed Co. He has already sold approximately 5,000,000 bushels this year. He has two girls at \$100.00 per month and one man, Jefferies, taken on lately at \$125.00. Richardson has about 12 or 15 in Toronto office. Wants to buy Owen Sound elevator at 4 or \$500,000. Best place from which to distribute feed, etc. Had talk with Arthur Choate, who was formerly Assistant Manager of the Western Elevator Co. under Alex Reid. He suggested consulting Sandy Thompson, F. W. Cumming, Campbell, McLaughlin, and Howden. He impresses me as a pretty good kind of man. Straight shooter and tactful. I met a Mr. Gray in the pool office in the evening from Chatham—a miller.

23. All day in Montreal. Clare pointed out that Thompson and Earle do a much bigger business for the pool than the New York office. They have complete charge of the grain after it leaves Fort William, look after all the forwarding, and keep a record of all stock in all ports and order them forward as required. Look after insurance and claims of all kinds. Borrow wheat when necessary. They have made all the arrangements whereby we get reductions in storage and in some instances free storage; this year so far amounting to \$70,000; fifty-six thousand saving in Quebec alone. We talked over the advisability of getting the Canadian National Portland elevator. I think it would be good business next year. Johnson is a good man.

We talked of a boat load of wheat loaded at Buffalo and which is held up at Montreal. The buyer refused to allow it to be unloaded at Montreal because his contract called for it being loaded at Buffalo. He didn't want the wheat because it had gone down in price.

Watt and his assistant and Douglas Sandays came in later. Sandays had formerly been with the Grain Union, but on account of the company going into liquidation he is looking for something else. We did a lot of biz. with the G.U. in Italy, Portugal, and Greece. Watt of Earl and Stoddard believed we would now want to make other arrangements in these countries. Smith told them we had satisfactory arrangements in Italy and Switzerland. We will continue to deal with Dupont, who was with the Grain Union but who is now with Mitchell. Watt proposed that, as Sandays had a good hold on the Portuguese and Greek business on account of being well acquainted there, they would (Earl and Stoddard) act as our agents in these countries and use Sandays in London to make the deals through the proper parties in both these countries. We are not strong on having anything to do directly with Sandays as he is without financial backing I understand. But if Earl and Stoddard use him and assume all financial responsibility, it is a little different matter. Sandays says the big grain people in Greece want to deal with the pool for their requirements of Manitobas.

28. I left for New York on the 10.30. Got into N.Y. at 2.30 and registered at the Waldorf. Got down to the office at about 3.30. Smith was there. We went back to the hotel at about 6 P.M. At 7.30 we had dinner with Mr. and Mrs. Salmanowitz at the Roosevelt. Very nice dinner and dance lasting until 10 P.M. 29. Smith and I got up late and went down to the office. We had lunch with Salmanowitz. We went back to the hotel

about 4.30 and met Jackman who has just got in from the Argentine today. We had dinner again with Mr. and Mrs. Salmanowitz at the Pennsylvania Hotel. I took the 8.10 from the Pennsylvania station to Buffalo.

30. Got into Buffalo at 7.30 and was met at the station by De Grey and Mr. Auch, Freight Traffic Manager of the Pennsylvania R.R. We had breakfast at the Club. I spent all forenoon until 12.45 with De Grey in the office when we again went to the Club and had lunch with Auch. We went out to the elevator after lunch and spent two hours there with Wilson, the Superintendent. I left Buffalo for Toronto on the 5.50. Got over 50 letters at King Edward, mostly Xmas Cards. . . . Spent day with De Grey. Elevator has handled 12,500,000 bushels and there are 13 storage boats to unload. De Grey thinks when Winnipeg decides to ship wheat from Buffalo to sea-board they should wire him. At the present time Winnipeg wires De Grey to load out 100,000 and New York office instructs what R.R. shall haul the grain and makes the contract with R.R. All grain from each boat is kept by itself in the elevator and when Winnipeg wires they say 100,000 bushels 2 ex. *Lemoine* or *Grant Morden*. De Grey has to wait one or two hours for orders from N.Y. as to freight booking. One day N.Y. wired a certain R.R. and the R. had no coopered cars. They had to lose 5 hours. All the R.R. have their freight agents in Buffalo and they know exactly what rolling stock they have ready and are in a position to give quicker service. De Grey says he could possibly have handled 5,000,000 more wheat this year. If Winnipeg would give De Grey the disposition of the boats or bill a larger number to the elevator than the elevator could handle and designate the elevator to which they were to be turned over, it would probably help out. However it must not be forgotten that Buffalo is *the* strategic point to have grain. Once it leaves there it is at N.Y., Philadelphia, or Baltimore and it is not a good thing to get too much at any one of these ports for it might be needed at one of the others. Only 190,000 bushels went from our elevator to Montreal. The Canadian canal boats try to use Port Colborne. Buffalo is two hours each way from Port Colborne and that much longer haul. From Buffalo to N.Y. via Erie Canal is 8 days. There are overages at Buffalo. De Grey says he tells Wilson he does not want overages but wants to weigh in favour of the elevator to avoid shortages. The grain is weighed in by 500 bushel drafts and can be weighed out in 2,500 bushels. Most of the cars are 1,500 to 2,000 bushels. De Grey thinks $\frac{1}{2}$ bushel per 1,000 bushels is a fair overage. He keeps the overages in a bin and if any cargo weighs out short he makes it up out of the surplus. Abel, owner of the Marine E.A., had a man, Cunningham, working for him for some years as superintendent. He wanted to get rid of him for some time but apparently was afraid to do so. He got a new manager who quarrelled with Cunningham and fired him. Cunningham wrote a letter to the N.Y. Produce Exchange and other exchanges and the Customs Department (Smith) saying he left because he was disgusted with Abel for insisting on overages of 2 bushels per 1,000. Understand it is not likely to come to anything for political reasons. These Buffalo Houses evidently accumulate as much overages as possible, load them on cars and switch them to mills and sell this Canadian wheat without making entry with the Customs Department. Our elevator can unload 15,000 bushels an hour from

each by making about 300,000 bushels in a 9 or 10 hour day. It can unload much quicker than that but for the cleaning up and moving the marine towers. Each marine tower weighs about 900 tons and would cost \$90,000. De Grey thinks we should have a winch to move the boats in the winter when they have no steam up and they cannot move on their own power. It would cost about \$1,500.00. Other elevators have them. It is sometimes necessary to move a boat 8 or 10 feet and they have to get tugs for that purpose. They also want to extend the shed over the loading cars. The present shed is really too short and leaves the men exposed and the grain too if there is a spill and it is wet. The boat people pay as much as \$1.50 per 1,000 bushels for our shovelling equipment. They furnish the men. Had a talk with Smith and Johnson re stevedoring. We have nothing to do with stevedoring in the U.S. The vessel owners look after that. There is evidently a big graft in it. Johnson thinks it would be better for us if we could make the arrangements for stevedoring as if we were giving it all to one firm they would give us good service. Murphy of N.Y. wanted Johnson to protest the work on one boat this week, but Johnson could not do so without good cause. It may be just as well that the vessel owners do look after it for it gives no opportunity of graft on the part of anyone acting for the pool. Leo Wolf is the big stevedore in Montreal. Johnson thinks it is better to have agents look after our loadings in Philadelphia, Baltimore, and Boston. They charge a $\frac{1}{4}$ but he says we could lose a lot if we did not have some reliable agent looking after it. He thinks it can be done more safely by an agent in these places than by looking after it from N.Y. All the grain is loaded by lighters in N.Y. harbour.

31. Got up late. Called at the office for a short time. Had a talk with Major Norsworthy and Mr. McDonald of the Bank of Montreal. Had lunch with McDonald and Mr. Haberer at the King Edward. Jackman and I went down to the U.F.O. office at 3 P.M. and had a talk with Messrs. Morrison, Clemens, and Jefferies re formation of an Ontario Wheat Pool. . . . Drove us out to see Page, General Manager of the Western Canada Flour Mills Co. He talked of an export duty of 10 cents a bushel on wheat milled in bond in the U.S., particularly Buffalo. Also a cargo of 2 wheat they have at Fort William and want to exchange for rail wheat.

January 6, 1927. I registered at the Belmont, and spent most of the day at the office. Had lunch with Salmanowitz and Johnson at the club. Had long talk with Johnson. Sexton of Johnson and Higgins came in during the afternoon to discuss the insurance on the 10 barges frozen in the Erie Canal.³

³"**December 24.** We have moved about 4,000,000 bushels by canal this year. It costs around 5 to 6 $\frac{1}{2}$ cents to 9 to 9 $\frac{1}{2}$ by rail. We have saved to date this year over the all-rail about \$50,000. **29.** Mr. Sexton of Johnson and Higgins came in to consult over 10 barges of pool wheat, which were caught in the ice on the Erie Canal. Evidently this early freeze up has not occurred in 25 years before and no insurance arrangements were made to provide for such a contingency. The underwriters want a premium of two per cent a month which would amount to 3 cents a bushel a month and if the wheat comes down O.K. they will rebate 1 per cent, leaving the premium at 1 $\frac{1}{2}$ cents a month or 6 cents for four months amount-

November 15 is the latest date for leaving Buffalo, but the date was extended on request by the insurance companies to November 22. The freight was booked in Winnipeg when it should have been booked in N.Y. by Johnson who gets 4/5 of the offers. People go to Winnipeg when they cannot book in N.Y. Johnson would not have taken this space so late. Another thing, Johnson knows the owners and will not book freight through a second party. He would make sure the company he was dealing with had something behind them. There is one of our boats cargo value \$36,000 in a very dangerous place and must be unloaded to save the cargo. Insurance Co. claim it will cost 50 cents a bushel to unload boat as there are great difficulties in unloading. They claim it will cost them \$15,000 to deliver in New York. N.Y. rail rate is 11 cents per bushel. They want 5 per cent per month on the one boat premium, or 20 per cent for the 4 months, or \$7,200.00 and 2 per cent per month for the other boats and in event of there being no loss on other boats the insurance company to rebate 1 per cent, 2 per cent amounts to 3 cents per month or 12 cents for four months. Johnson is going to agree to these terms providing the cost of moving the wheat on the one boat costs \$15,000.00. If it costs less, our premium will be proportionally less, but in no event more. On the other nine boats, the 2 per cent is to apply to each individual boat. If one boat is a total loss and the other 8 are saved, we would get the 1 per cent rebate on the 8. If there is 100 bushels' loss on any boat value \$150 we would get the 1 per cent rebate less \$150.00. 2 per cent on each boat—\$2,400.00, 1 per cent rebate—\$1,200.00.

The \$50,000 loss we had on the Erie Canal last winter is not yet settled. The case will probably come up in March. The barge was sunk in the canal and was a total loss. There is a clause in the insurance policy which provides that if there is negligence on the part of the crew taking down the wheat, the Insurance Co. is not liable. The company claims there was negligence and that the crew were drunk. Globe and Rutchus are the underwriters for the carriers and they have joined with us in going after the Insurance Co. to pay up. We have the same lawyer acting for us as the Globe and Rutchus Co. If it turns out that the Insurance Co. is liable, Globe and Rutchus will pay half the legal expenses, total \$10,000. If the Insurance Co. is not liable, Globe and Rutchus have agreed to pay the total loss. The *Menoninee* was loaded at Boston and was to unload at Onlegia. The owners were notified of place of unloading several days before sailing and made no protest. Later they protested against Onlegia as an unsafe port for that vessel. They unloaded at Genoa without orders. Grain had to be bailed to Onlegia at cost \$900.00 rail freight and \$300 extra cost. They want us to pay. We refuse and it may have to go to arbitration. Johnson should control stocks at Boston. He controls at N.Y., Philadelphia, and Baltimore. I think in the event of opening an office in Montreal, we should place Johnson ing to \$12,000.00 on the 200,000 bushels. If only one boat was damaged and nine got down O.K. they would only retain the 2 per cent on the one boat. One boat is in a particularly bad position and they want to unload and charge the expense to the pool. It would be very expensive as it would have to be bagged and carried out on sleighs. Smith thought 1 per cent would be all right with rebate of $\frac{1}{2}$ of 1 per cent."

in charge. I believe he is thoroughly reliable and wide awake. He says the business in N.Y. is much more difficult and tricky than in Montreal. I took the 8.30 train to Toronto.

7. Arrived in Toronto. Had talk with Jefferies of the U.F.O. Called on Campbell of the Maple Leaf. He was quite friendly. He spoke of 6 boats' winter storage in Port Colborne. Two are situated so that they could not use them. Four of them they could break the ice and use. He would like to buy this wheat now. Smith is not anxious to sell now as he says they are in an advantageous position to get to Montreal early in the spring and secure a premium. If we sold now we would save at least 2½ cents interest and insurance and Campbell would give a premium as well. He would replace the wheat in the spring. It seems to me to be good business and at the same time doing a favour to a customer. We called on Page of the Western Canada Flour Mills Co. He is always agreeable to meet. 8. Spent quite a part of the morning at the U.F.O. offices with Morrison, Clemens, Gilroy, and Jefferies. Had lunch with Professors Fay, Innis, and four others. I am not much impressed with the idea of an Ontario Wheat Pool. They ship most, if not all, their excess surplus through American ports where it can be mixed. 11. Visited the office in the morning. Folliott and Leitch talked over the coarse grains situation. They both think there can be a good business worked in the Maritimes, and Leitch is going down there some time to look into the situation. Folliott says there has been an excellent export demand for barley to Germany. He says 4, 4 tough, and 3 tough has been selling at about the same price and I think only one cent, sometimes less, than 3.

March 9. Board meeting all day. All members present but Mr. Wood, who is in Vancouver. McIvor was here, also Johnson from N.Y. We discussed the advisability of opening a Montreal office. We had a good meeting. All had lunch at Eaton's. 11. Went up to the office in the morning but went back to meet the 10 A.M. train. . . . We decided after noon to open an office in Montreal and appointed Johnson to take charge.

May 10. We decided to open a London office. 11. The Board decided to send Wood and me to the Old Country to open a London office. 27. The Board (Saskatchewan) passed a resolution asking me to go to Europe. June 21. Arrived in Regina. Spent all day at the office. The Board was in session but I did not attend much. I was cleaning up affairs for my trip overseas. 22. Got into Winnipeg. . . . We left Winnipeg at 7.50 P.M. 24. Arrived in Montreal at 2 P.M. and registered at the Mount Royal Hotel. Mr. and Mrs. Brownlee and Mrs. McPhail and I had dinner together. We went to the boat about 9.30. Mr. Gault met us there and introduced us to the officers. Later we had lunch with Gault and Tobin, Treasurer of the White Star Line. 25. Wonderful scenery down the St. Lawrence. Mr. and Mrs. Brownlee, Mrs. McPhail and I sit at the Captain's table. We had a very enjoyable day. . . . We arrived at Quebec City at about 2.15 and went for a sight-seeing drive to Montmorency Falls, Plains of Abraham, etc. Quebec is one of the most interesting places I have ever visited—a bit of the Old World set down in the new. Quaint and beautiful. It was wonderfully beautiful passing down the Isle of Orleans after we left Quebec. The St.

Lawrence is very impressive. 26-7. Foggy and drizzly all day. Whistle blowing every minute or two. Brownlee and I walked the deck and took exercise in the gym. We attended the dance after 8 P.M. and danced a little. 28. . . . Brownlee and I walked nearly 3 miles in the morning and took exercise in the gym. It is quite nasty. We are in the iceberg area and going very slowly. Did nothing but read and eat and some walking. Walked about five miles. We stopped in the evening on account of fog. 29. . . . The sun started to shine first time since last Friday. . . . Danced a little in the evening. Quite foggy all day. 30. Very fine bright morning. I walked quite a lot and took exercise in the gym. . . . Read Chesterton's *History of the U.S.*⁴ They had a masquerade ball on deck in the evening. The Captain came to the table the first time since we started. He said he had been on the bridge for 84 hours on account of the fog. July 1, 2, 3. Un-eventful . . . Had breakfast and attended service at 10.30. We anchored about 8 or 9 miles out of Belfast and a boat came out and took off about 100 passengers. The Irish coast was very pretty.

4. Got up early, had breakfast and watched the boat cruising into the Mersey. We docked about 9 A.M. Roy McIntyre met us at the boat and took us to the Adelphi Hotel. We called at Shipton and Anderson's office and had a talk with Archie Love before lunch. Brownlee, McIntyre, and I went with Love to look over the Grain Elevators after lunch. Mr. Winter, the General Manager, took us all over them. We called on Mr. Hobley of the Cooperative Wholesale Society at 5 P.M., when we came back to the hotel. 5. McIntyre, Brownlee, and I took the 10 o'clock train to Manchester with Mr. Hayworth. We were met at the station there by Mr. Lamb, Assistant Superintendent of the Canal Co. He took us to the offices of the company and we met there Mr. Gibson, Superintendent of the Canal Port, General Sir Joseph Byrne, Governor-General of Sierra Leone, and Mr. Laski. We all spent the morning going over the Port Elevators with a capacity of 3,000,000 bushels and had a trip on the port boat. We had a grand luncheon given by Mr. Gibson at the Midland Hotel. Byrne, Brownlee, and I spoke. We next saw the Cotton Exchange which was a great sight. 5 or 6,000 people were there on the floor. We got back to Liverpool and left for London at 5.20 arriving at Euston at 9.05. We registered at the Park Lane.

6. Had breakfast down Piccadilly. Roy McIntyre and I went down to Canada House. I met Salmanowitz in the morning. We spent most of the afternoon at the Cargo Superintendence office with Salmanowitz, Mr. Schwab, Sipmann, and 3 others. We had dinner with Archie Love at the Savoy and spent the evening there. 7. Got up early and met a Mr. Copping at Canada House. Met and had a talk with W. A. Wilson, also Mr. Begg of Jackson and Co., Glasgow. Met Brownlee, Greenfield, and Spencer, M.P., there too. Roy McIntyre and I called at Shipton and Anderson's office and met Love and Mr. Houston. They took us on the *Baltic* where we met a number of other men. . . . Roy and I called at Pym's office and met Mr. Barnett and Mr. Kentish, a director, also Mr. Profumo of Granisema, Genoa.

⁴C. E. Chesterton, *A History of the United States with an Introduction by G. K. Chesterton* (London, 1919).

Called at Mr. Wise's office and had a talk with him and Mr. Jernakov. McIntyre, Mr. and Mrs. Brownlee, Mrs. McPhail, and I went to dinner with Salmano-witz to the Berkley Hotel and afterwards to the Winter Garden Theatre to see the *Vagabond King*. Very good. 8. McIntyre and I called at Rank's office and had a talk with Jim Rank and his brother-in-law. Also met Jos. Rank. After lunch we had a talk with Hurst and Bingham of Strauss and afterwards for a couple of hours met the Australians; Gough, General Manager of the Overseas Co-op. Federation, Mr. Barclay, Mr. Cummings, Mr. Tadman, and Mr. Wilson. 9. Moved to the Waldorf. 10. Got up fairly early and went to City Temple and heard Dr. Cadman of Brooklyn. I spent most of the afternoon in Hyde Park listening to the soap-box orators. 11. Spent the morning at Ranks' looking over their London Mill. Jim Rank accompanied McIntyre and me. We called at Mitchell's office in the afternoon. 12. Saw Mr. Leitham of Hull at Shipton and Anderson's office. 13. Brownlee, McIntyre, and I spent the morning at the Australians' office—or the Overseas Co-op. Federation. Had lunch with Spillers at 1 P.M. Walter Allen, buyer, Chairman Mr. Baker, and two Vernons. At 4 we met the executive of the Farmers' Union of England. We took the midnight train to Manchester.

14. Arrived in Manchester at 4.45 and got out of the car at 7.50. We had breakfast and took a taxi to the Hovis Mill where we had a talk with Mr. Thompson, wheat buyer. He was a big man, and I should think very capable. We called on another broker and went to the C.W.S. offices at 2 P.M. The Board were expecting us at 11.30 and were quite evidently annoyed. We met Sir Wm. Dudley, who I think is Chairman, although he did not introduce himself. We got a most cold reception,⁵ but before we left, they invited us to return on August 9. We returned to London on the 4.10 train, arriving at Euston station at 8.10.

15. Saw Mr. Webb and one of the directors of the Associated Flour Mills. Met Mitchell, McIntyre, and Mr. Roddick of Liverpool. 16. Mr. Salmano-witz of Geneva and Mr. Schwab of the London office called at 10 A.M. and Brownlee, McIntyre, and I had about an hour's talk with them. They say the weather has been very bad for the European crops and there will only be an average crop this year. Russia will not be any greater factor this year than last. To Tenterden, Kent, for the week-end. 18. Got up at seven and took the bus at 8 to London. The drive to London was wonderful. A sunshiny bright morning. We arrived at Charing Cross at 10.30 and walked up to the Waldorf. McIntyre was waiting and he and I walked down to Trafalgar House to get our passports. I had a talk with W. A. Wilson; McIntyre and I met Sir Herbert Robson and one or two of his associates at 2.30 and Mr. McPhail, chairman of Proctor and Garrett. . . . McIntyre, Brownlee, and I went with Mr. Lessing and Hurst to dinner at the Parliament Buildings with Mr. Strauss, M.P. We had a very interesting time. Were

⁵In the discussion McPhail wanted a reasonably profitable price for wheat by which he meant about \$1.50 a bushel, but he was thoroughly aware that cost of production figures were not of any particular value "selling wheat" because "we must sell in accordance with world values."

shown into the distinguished visitors' gallery and heard Winston Churchill.

19. Packed and took the 10.50 train to Dover, where we embarked for Calais at 12.30, arriving at 2.15. Left Calais and arrived in Paris at 5.45. Were met at the station by Jardon, his brother, and a Mr. Cook of the Cargo Superintendence office. We registered at the Hotel Plaza Athenee. 20. Got up at 8 A.M. Went to the office at 10 A.M. and spent the time there until 12 K. Called on Mr. Benson, Manager of the Bank of Montreal, for a few minutes. We drove out to Fontainebleau. . . . 21. Went to the office at 10 A.M. and had talk with Jardon. We again called on Mr. Benson of Bank of Montreal. We all had lunch at Le Pre Catelan. Cook took us out to Versailles. . . . 22. Jardon took Mrs. McPhail and me to the Louvre. It is immense in size and the pictures and sculpture are beyond description. We had lunch with Mr. Benson, Manager of the Bank of Montreal, and Sir Chas. Gordon, Vice-President. Then we visited Hotel des Invalides where we saw Napoleon's Tomb. Its grandeur simply cannot be described and words are useless. Next Notre Dame Cathedral and last the Arc de Triomphe. Came back to the hotel at 5.30 and got ready to go to Brussels. Got to Brussels at 11.12 and registered at the Palace Hotel.

23. Got up at 8 A.M. Mr. Van Bree and Van Roompa, also a nephew of Van Bree, M. Pouvier, came to the hotel with two great cars and took us for a drive around Brussels and then to Antwerp. We met Mr. Grau, Manager of Andre and Co. of Lausanne. He is a very fine type of man. Had an exceptionally fine lunch with Van Roompa and Van Bree—Van Bree is President of Cargo Superintendence. We were taken in a launch around the Antwerp docks. There are literally thousands of ships and barges in the docks from every country. Then in the river Scheldt, there are boats for 5 miles. We saw the Cathedral and Rubens' famous paintings of the Crucifixion. The party saw us off at 6.40 for The Hague, where we arrived at 9.20 and registered at the Hotel des Indes.

24. Met Mr. Weiner and two men from the Cargo Superintendence office in Rotterdam. The joint managers, McIntyre, Brownlee, and I had a drive out to Scheveningen and around The Hague out into the country for 3 hours. Had afternoon tea at a very pretty restaurant in Wassenaar. The General Manager from Russia—Mr. Bernhardt—told us all we wanted to know of Russia very secretly. We all had dinner at a beautiful hotel at Scheveningen with Mr. Weiner. The most elaborate dinner I ever had. 25. Superintendence people sent their car from Rotterdam and took McIntyre, Brownlee, and me to the hotel to Rotterdam. We first met Weiner and his nephew and then Mr. — and his junior partner who had lunch with us. We afterwards took a trip around the port on the Superintendence launch. It is a great port. We got up on a floating elevator and saw them weighing off the boat on to barges and weighing the drafts on the elevator. There was a Superintendence man, a man representing the buyer and one the port, unloading Argentine maize. Canals everywhere through the city. Went back to The Hague on the train and checked out of the hotel. Brownlee, McIntyre, and I took the train to Hamburg. The day was lovely and warm. Visited the Airdrome at Rotterdam. The shipping in these ports is tremendous.

26. We arrived in Hamburg at 8 A.M. Had breakfast in the station restaurant. We got to Mr. Seipman's office about 10.30. Met there first the representatives of Getreide Industrie and Commission A.G. of Hamburg and Dusseldorf. Hirsch now buyer. Dr. F. Hagedorn, former Food Minister for Germany, was with them. We next met Mr. Hoppe of Rohstoff Enfuhr—a very large concern. He seemed a very solid man. Asked about his financial standing, he said—ask my bankers. We had lunch with Mr. Seipman, his assistant, his son, and Mr. Rosenbaum. Afterwards were shown around the port—a wonderful port. Largest I ever saw. An average of 45 to 50 sea-going boats come in each day. Had a drive around city. Wonderful homes. Canals everywhere and people in canoes. Had dinner at the most wonderful restaurant I ever saw. 3,000 people there. Beautiful night,—band playing—hundreds of canoes and sail boats. Took 10.45 train to Flushing.

27. Got to Flushing at 12.51. Mrs. McPhail and Mrs. Brownlee got there at 1.30. We took Dutch boat immediately for Harwich, arriving there at 7 P.M. Took train to London, arriving at 9.15 and came to Waldorf Hotel. The continent is wonderful, but it was good to see England again. It has a beauty all its own. Quiet, peaceful, lovely countryside. 28. Got up late. I went out and got some breakfast and went down to Canada House and read the Canadian papers. 29. . . . Had a talk with Brownlee and went down to Canada House and had talk with W. A. Wilson re meeting with Scottish Co-op. on August 12 and dinner with Major Salmon, head of the Lyons restaurants. . . . We went to see *Ben Hur* in the evening and although I had seen it before, I thoroughly enjoyed it. It is as good as any sermon I ever heard. 30. We packed, checked out of the hotel, and, with McIntyre, went out to Walter Gilling's. They have a very lovely home. We went driving in the afternoon through Epping Forest. We all went to the Coliseum Theatre in the evening and saw a wonderful and long programme. Plenty of evidences of extreme wealth alongside of abject poverty. But there are great changes coming. One feels it everywhere. The average man is not much longer going to tolerate the inequality of today. 31. We all went for a long drive, leaving Gilling's at 10.30 and getting home at 10 P.M. We saw most wonderful scenery. Hazelmere, Midhurst, Hindhead, Arundel, and Cowdray castles. We came home through Brighton. There is about 7 miles of walk and pleasure ground and thousands and thousands of people. We stopped at Chichester Cathedral and listened to the choir. August 1. We went driving. It rained all day. Visited Windsor Castle and Hampton Court. Both wonderful places, especially I thought Windsor Castle. They say Queen Victoria liked it. I should think she would. My grandmother would have liked it too. All these castles and what they stand for make me wonder why the Labour party has not become even stronger than it is. 2. Gilling drove Mrs. McPhail and me in to the Waldorf. . . . I had dinner with Fred Barnett at 57 Portsmouth Court at 7.30 P.M.

3. Spent most of the morning phoning. Jack McCallum called, and I had to spend some time with him. We had lunch with the Brownlees. Brownlee and I called at the tailor's after lunch and then went to Pym's office where we had a long talk with Cecil Sandys and Furness, his partner—and

with Fred Barnett. Sandys and Furness impress me more than any two men I have met in the grain trade. We called at Gilling's office. 4. McIntyre and I met Mr. Speers of Speers and Thorpe in Gilling's office at 10.30. Gilling came to the hotel for us. I got quite a lot of information from Mr. Speers. He is a competent business man. The Brownlees, Mrs. McPhail, and I had lunch with the Gillings at the London Tavern,—where Queen Elizabeth had dinner on her release from London Tower in 1554. Brownlee and I met Bob Hayward at Proctor and Garrett's office and later had a long talk with Mr. Penzer of N.Y.

5. Brownlee and I took the 8.55 train to Bristol, arriving there at 11.15. We were met by Mr. Cole, Canadian Trade Commissioner, the Secretary of the Bristol Corn Trade Association, and Mr. Hosegood, a big grain merchant. We were taken and shown the docks and grain warehouses. Hosegood says they have 10,000,000 bushels storage in Avonmouth. We met the Lord Mayor and were dined with about 15 grain men. Sir — Humphries presided. We afterwards met the Grain Trade and then were driven to Mr. Hosegood's where we had tea. He has a lovely home. We took the 5.15 train—fastest in the world—and arrived in London 7.15. Met Mr. Hirsch at the hotel.

6. . . . Gilling took Brownlee and me to the tailor's. He was away. Gilling then took me to the Cargo Superintendence office, where I had a long talk with Mr. Penzer. I went over to Gilling's office and he drove me back to the Waldorf. I spent most of the afternoon writing. Mr. King of Victoria, Australia, called. After we packed and checked out, Gilling drove us around for half an hour. We took the 11.05 from Euston to Edinburgh.

7. Arrived in Edinburgh at 8 A.M. Were met at the station by Mr. Good of W. Gilling Co. who took us to the Queen's Hotel. Good came at 10 A.M. and took us for a drive out to Firth of Forth bridge past Dalmeny. Also took us along Princes St. and up to Edinburgh Castle. We walked down to Princes St. and up to Nelson's monument. Got a wonderful view of Arthur's Seat on the left and the Castle away to the left in the sunset. Never saw a more wonderful sight. I took a walk in the evening and listened to some of the soap-box orators. 8. . . . Went to Leith to see John Good of Gilling and Co. He was not in. I went to Wishaw after lunch and saw the Archibalds. . . . We went for a walk down Princes St. It is a lovely street. Could see the lines of the cliff and castle through the rain and mist. 9. Had breakfast at hotel and walked down to Princes St. Mrs. McPhail and I took a taxi up to the Castle and spent about an hour and a half there. Very interesting. War Memorial is the finest I have seen. We then drove to Holyrood Castle and spent three-quarters of an hour there. Back to the hotel and to Waverley Station for Glasgow. . . . Met the Scottish C.W.S., Mr. Stuart, Chr. Gallagher, and Stirling were there. They have a magnificent Board room and very costly furnishings. Had an hour and half session and then called on Mr. Begg of Jackson and Co., our Glasgow agents. We returned to Edinburgh on the 6 P.M. train, arriving at 6.20. The C.W.S. Board want to find out what benefit the pool would be to them. 10. Took train to Glasgow. Brownlee and I had lunch with Messrs. Buchanan, McInnis, Forsyth, and Murdock of the United Co-op. Bakers' Association. Had a very interesting

talk. The Brownlees, and Mrs. McPhail, and I took a bus at 2.30 and saw Loch Lomond, Loch Long, and other places through the Trossachs. It was a wonderful drive. Got back to Edinburgh at about 9.50. Had tea at the Caledonian Hotel. Lovely day. 11. The Brownlees, Mrs. McPhail, and I went on the Melrose Abbey bus trip. Visited Abbotsford—also Dryburgh Abbey—I think this is the most wonderful place I have visited. Passed Sir Douglas Haig's home. We stopped on a hill and saw Sir W. Scott's favourite view of the borderland country. It is really a very wonderful sight. 12. I went to Dumfries. Had lunch at Dumfries and took a 20 mile drive—passed where Bobbie Burns used to farm. 13. I went to Leslie and saw Mr. and Mrs. Archibald. 14. . . . Mrs. McPhail and I went to St. Giles at 11 A.M. There was a great crowd there. I did not like the service at all.

16. Went to the tailor's first, then to Canada House to meet Mr. Tucker of *Canada Gazette*. I called on Mr. Kerr of Bank of Montreal. Called to see Mr. King of Australia at Norfolk Hotel, but he was not in. I visited Pym's and Mitchell. Had long talk with Barnett and J. W. M. I called on Webster, who is working in Strauss's office. 17. Gilling drove me to the Overseas Co-op. Federation offices where I had a long talk with Mr. Wilson of Melbourne, Australia. Also drove me to Shipton and Anderson's office to see Sir Arthur Holmes, in the afternoon. Brownlee met me there. We went from there to the C.W.S. offices where we had a meeting with 4 of the directors and Hobley, their wheat buyer. Mr. Charter was in the chair. We had an interesting discussion. I went from there to Canada House and to the hotel. 18. Spent morning writing. Went to have lunch with King and Walker at the Carleton Hotel but missed them. Went to Gilling's office. Called on Barnett of Pym's and on Sandys and Furness. I had an hour's meeting with about 15 press men at the Waldorf from 4 to 5. 19. Gilling and Mrs. Gilling came to the hotel and took us to the 11 A.M. train from Euston station. Gilling accompanied us to Liverpool.

20-25. Voyage. 26. All day in the Gulf of St. Lawrence. Sighted Gaspé towards evening. 27. All day in St. Lawrence. Canada looked good. We docked at Quebec about 3 P.M. and did not leave until nearly 9 P.M. Most of the passengers went ashore but I was interested in one of Edgar Wallace's books. . . . 28. Docked at Montreal about 9 A.M. Johnson and Clare were at the dock, also Major Currie. We registered at the Windsor. We went with Mr. and Mrs. Clare and Mrs. Smith for a drive to Howick. . . . Took the 11 P.M. train to Toronto. 29. Arrived in Toronto at 7.35. . . . I met De Grey at the King Edward. I spent a couple of hours with Leitch and met there Wellington Hays, also Jefferies of Ontario pool. I had a long talk with the Agricultural Editor of the *Globe* and Mr. McArthur. 30. . . . I went to the office and had lunch with Leitch at Childs. He drove me out to the exhibition grounds. I don't think it is any better exhibition than Regina but there are a great many more people. Tremendous crowds. 31. . . . I went up to the office. Leitch drove me out to the Western Canada Flour Mills and we had a talk with Dave Walker. Page was not in. We called at the Maple Leaf but McDonald was not in the office. We had lunch at the Board of Trade with Morrison, Clemens, and Jefferies. From there we went to the U.F.O. offices where I addressed the Board. Went back to the office

and met De Grey. Leitch and I drove to Burlington and had supper and just back in time for the 9 P.M. train. This was the day of the 21 mile swimming race. **September 1.** Spent all day on the train. . . . A very warm uneventful day.

In the crop year 1926 the company shipped grain directly to 24 countries through 60 ports. Of the total quantity of 179,950,242 bushels received by the Central Selling Agency, 82,279,328 bushels were graded as tough, and because of inadequate drying facilities it made an entirely new departure of sending tough wheat to Europe. 107,802,000 bushels were exported by eastern ports, 16,333,308 by western ports, and 77,947,199 were sold for domestic consumption. Premiums on western shipments totalled \$471,088 of which Alberta was given \$462,023.

THE OPENING OF THE LONDON OFFICE

The crop of 1927 was coming on the market with McPhail's return and he was faced with a problem of sales organization.

"September 2. Ramsay informed me of Smith's resignation. **14.** Board meeting all day in Winnipeg. . . . We appointed McIvor [from the Calgary office] General Sales Agent, and made other appointments." In spite of his limited experience and his susceptibility to the influence of the Alberta group,⁶ McPhail wrote to A. S. Bowman on **September 19:** "Mr. McIvor impressed the Board as the best real co-ordinator and co-operator on our selling staff. Mr. Smith is a man of real ability but he has not shown the disposition to co-operate that the Board feels he should have shown

⁶Mr. H. W. Wood in the *Proceedings of the Second International Co-operative Wheat Pool Conference, held at Kansas City, Missouri, May 5th, 6th and 7th, 1927*, said in part: "In dealing with prices we are the most inefficient industrial class; consequently, we are the greatest hindrance to industrial progress. Right relationship of prices is vital to industrial efficiency and universal prosperity. We are standing in the way of industrial progress because we let our prices sag below the level of others and thereby destroy this right relationship. We must keep our prices up to the common level. This is the contribution we must make to industrial efficiency. Our own interest demands it. Industry, progress, humanity, all demand it. This is our work. Nobody can do it for us. We can and must do it ourselves. . . . Of these primary elements, agriculture is the one that had, until very recently, made no concerted effort to deal systematically with the prices of its own products. Labor has done much in that direction, but it has been under many handicaps. The manufacturing interest is the outstanding successful example, and it is to this interest that we must look for guidance in our efforts." This point was repeated in the *Directors' Report of Canadian Co-operative Wheat Producers Limited, 1927-28.*

in the past. . . . It is essential that the Board retain a firm hold over the whole organization and everyone in its employ from the manager down." Mr. Buchanan was brought from Vancouver to Calgary, and Mr. Gibson was appointed at Vancouver. Mr. McIntyre was appointed eastern sales manager and Mr. Folliott, coarse grains sales manager. "**November 2.** Jensen, Burnell, Ramsay, and I had a meeting. We engaged an assistant salesman for the Calgary office at a salary of \$6,000."

Plans were made to open the London office and Smith, the former sales agent, was appointed to take charge.

September 22, 1927. Miss Reese called at 4 P.M. for an hour. I had to tell her bluntly we didn't want anything to do with her. **October 4.** All day in the office. . . . Burnell, Ramsay, and I had a meeting with Jas. Rank re the Rank agreement. I told Rank the reasons we decided to publish it and intimated we would not renew. **13.** Board meeting all day. We had all the salesmen in. McIvor, Smith, McIntyre, and Folliott, Catton, Gellie, and I spent the evening in my room. **17.** Spent all day at the office. Had conference with Ramsay and McIvor in the morning. Had lunch with Smith and discussed the scope of the London office. I told him of the attitude of the Board. I had a long talk with Geo. Chipman. . . . Took the 10.45 to Regina. **20.** We had a Central Board meeting and appointed Bob McPherson to go to London with Smith. **December 14.** Central Board meeting all day. We had a very good report from Ramsay. **15.** We appointed Ramsay manager very much against the wishes of —. **August 9, 1928.** We made Ramsay general manager and increased his salary to —.

The organization as completed was described by McIvor⁷ as follows:

Our ocean tonnage chartering is done from Winnipeg; in fact our entire operations are handled from the Winnipeg and Calgary offices. We also have offices in the East. Our Toronto office takes care of the distribution of grain to the Ontario millers. This office also handles the wheat of the Ontario Wheat Pool, which has just experienced its first and a very successful season. We have offices in Montreal and New York for the purpose of taking care of the movement of our grain from the upper lake ports to the seaboard and also for the purpose of keeping us posted as to the ocean tonnage market. We have our own office in London, which has been established for the purpose of keeping us advised of conditions as they exist in the consuming countries and giving us the necessary posting as to the development of the market. We have our own office in France for the distribution of our wheat direct to the French millers. How successful our Paris office has been is shown by the fact that last season this office handled 75 per cent of the Cana-

⁷*Proceedings of the First International Pool Conference which includes the Third International Wheat Pool Conference held at Regina, Saskatchewan, June 5th, 6th, 7th, 1928, pp. 44ff.*

dian wheat sold to France. We have two agents in Holland. We have an agent in Belgium. We have two agents in Denmark. We have an agent in Norway. We have an agent in Northern Sweden and an agent in Southern Sweden. We have an agent in Spain and also in Portugal. We have an agent in Austria and one in Switzerland. We have two agents in Italy. Owing to the volume of business that we control it has been possible for us to select the very best type of agents available for the distribution of our product. These men keep us constantly posted as to the state of the market and we in turn keep them posted as to the conditions on this side. When we are prepared to sell and consider the price satisfactory, our method of offering is merely this: We send out a nightly cable in which we offer them, say, 10 loads, which would be 80,000 bushels of No. 3 Northern wheat in a certain position at a c.i.f. price delivered at their destination. By destination, I mean their port of entry, such as Havre, Hamburg, Antwerp, Genoa, and so on, on the continent, and Liverpool, London, Hull, etc., in the United Kingdom. Our agents on the other side on receipt of our offer then get in touch with the mills in their territory and offer to them the quantities named in our cable at the price named, and in many cases business is closed. If, on the other hand, the miller is not prepared to pay our price, he would probably submit to our agent a counter offer, which in turn would be submitted to us and which we might accept or decline, largely depending upon the state of the market. In most cases, however, we would not reduce our price from that of our original offer. In this way a constant exchange of cables goes on between our office in Winnipeg and our offices and agents on the other side and we are able to maintain a daily contact with the markets all over Europe.

For the purpose of handling our business in the United Kingdom, we have a number of agents in London, several in Liverpool, several in Bristol and Hull, and also in York, Glasgow, Belfast, Dublin, and Cork.

It would probably be interesting to you to know that several months ago we sold 3,000 tons of No. 3 Northern wheat over the telephone to London, probably the first marketing transaction of that kind, so that you can see that in the sale of our product we are in constant touch with the consuming centres.

Extension of offices in London, the Argentine, and elsewhere contributed to the increase of \$151,416 of administrative expenses. Central Selling Agency extended its operations by an agreement in 1927 to operate a grain pool in the province of Ontario.

The crop of 1927 was perhaps "of the lowest relative quality that Canada has ever produced, as the same high proportions of tough and damp grain was received in all three provinces due to the wet harvest weather."⁸

⁸"October 8, 1927. All day at the office. . . . Long talks with Lawless and Yates. Too wet to thresh. There has been no threshing for 10 days. With perhaps only 25 or 30 per cent threshing done in Saskatchewan and 10 to 15 per cent in Alberta, the situation is very serious. There seems to be no sign of settled

December 31, 1927. I arrived in Winnipeg at 9.30 and went straight to the office. Spent the morning with Ramsay, McIvor, McIntyre, and Folliott. I am well satisfied with the way they are conducting the selling. Little demand this month, but we have not been forcing any sales. I have no doubt our control has had a big influence in stabilizing prices from going any lower than 1.30 for December. Long talk with Cairns, Ransom, and Hull. . . . Came home on the 10.45.

On **March 15, 1928**, the Board directed that the "general sales manager be instructed to begin selling October wheat at \$1.37 in moderate amounts such sales to be ear-marked as a hedge against the carryover for the current crop." **April 12**, "that the general sales manager be instructed not to sell October wheat against the old crop at a lower price than \$1.40."

July 14. Board meeting all day. We discussed selling policy with McIntyre and Folliott. This is the most difficult time we have faced this selling year with such comparatively low prices. We adjourned at 4 P.M. It was very close and depressing. We all left for home on the evening train. **16.** It was agreed by the Board that we would continue to offer our wheat without forcing it on a depressed market. It was further agreed that it would be as well not to sell any more futures for the time being on the present market conditions until such time as prospects for the new production are more definite.

The fact that the exportable surplus of the Canadian crop is 39.56 per cent of the world exportable surplus of wheat explains why the control of the sale of this wheat by our organization is able to influence world prices and eliminate speculation. Our policy last year in view of the comparatively low intrinsic value of the crop and the possibility of a high quality crop being harvested, was to keep well sold up. Nothing happened during the year (1927-8) to make us alter this policy and as a result we go into the new crop year with no carryover (*Annual Report, 1927-8*).

The prospect of a large crop in 1928 created uncertainty in the determination of the final payment.

May 9, 1928. We decided on another interim payment on coarse grains. **July 5.** Spent all day in Winnipeg with Ramsay, mostly in connection with the next interim payment. **21.** We reviewed the situation from the standpoint of a 2nd interim payment on the 28th. **26.** Central Board meeting for the purpose of deciding whether or not to let the second interim payment go out on the 28th. Prices have dropped so drastically. We agreed unanimously there was no risk and everybody felt relieved. **October 1.** At the

weather, and snow may come any time. It is a very anxious time for farmers. Raining tonight. **14.** Raining. We are facing the most serious situation with the crop we ever faced in Western Canada at this time of year. **15.** First fine day for a while but it will be some days before they can thresh. **19.** Threshing operations have been resumed in most parts today, although most of the grain will be too tough."

office all day. Robertson, Moffatt, and Fry wanted to put out final payment on the 4th in place of 11th in spite of the fact we agreed on Central Board to keep it until 11th. I strongly disagreed with them and it was decided to hold. I went to Winnipeg.

In addition to taking an active part in securing control over sales policy Mr. Ramsay introduced numerous improvements such as the consolidation of a staff scattered through eight different floors in three separate buildings in a new office building.

June 15, 1928. Board meeting all day. Clemens of Ontario was up. We approved of plans for new office building. Left for Regina at 10.30. **July 12.** Spent all day around the office. Had long talks with McIntyre, also with MacLeod. . . . Had talk with Eldridge re insurance and Manager of the Hydro Electric re use of power in our new office building. I assured him the Saskatchewan farmers were in sympathy with the publicly owned power company. **May 8, 1929.** Our first Board meeting in the new building. All members present, had lunch at the Bank of Montreal.

It was built "for our exclusive use at a reasonable rental."

Various insurance schemes were placed under a subsidiary company and Mr. J. H. Smith was appointed as manager. "**October 11.** We had Smith, manager of our insurance company, in for the first time." "A complete re-organization of the staff and to a very large extent in our accounting methods" was carried out during the year. The demands of publicity increased with the extension of activities of the pool. "**October 8, 1926.** I spoke at our luncheon to the Weekly Newspaper Men." On November 12, Mr. W. A. MacLeod was appointed as publicity director succeeding Mr. Farmer. "**March 10, 1927.** I spoke over the radio at noon. 16. Board meeting all day. I addressed a Board of Trade and Wheat Pool banquet in the King's Hotel in the evening. Hugh McGillivray was chairman." McPhail made his first appearance in Eastern Canada in a speech at the Montreal Canadian Club in which he outlined the history and organization of the pool.

March 26. Arrived in Winnipeg. Went up town and got my new suit from Martin's. Saw Smith and Ramsay. Left Winnipeg at 10 A.M. and spent all day on the train. Worked on my Montreal speech. 27. All day on the train. Worked at my speech for the Canadian Club. 28. Arrived at 9 A.M. and registered at the Windsor and dictated my speech. Met Rev. Dr. Hurst who used to be at Elfros. I addressed⁹ the Canadian Club at 1.30 to

⁹In this speech he traced the history of farmers' organizations as a background to the pool movement. He emphasized the importance of the contract and of the Appeal Court decision in upholding it. He stressed the importance of studying the market for wheat and the facilities at the disposal of a huge organization.

2.10. There was a very good crowd and they gave me a very good hearing. I went down to the Bank of Montreal with Mr. Sharpe and saw Sir Frederick Williams-Taylor. I called at the Royal Bank and saw Mr. Neill and Mr. Wilson. Mr. Heming spent the evening at my room. He is a very strong protectionist.

In May he attended the second International Pool Conference at Kansas.

April 23. Board meeting all day again. Quite a number left for home last night. We adjourned at 5.30 after appointing Brouillette, Geo. Robertson, and me to go to Kansas. **30.** I put in most of the afternoon preparing a speech for Kansas City. Brouillette went south. **May 1.** Went to the office fairly early to put finishing touches to my speech at Kansas. Geo. Robertson and Hutchinson came in from the West and we spent some time in the office with Fry and McLeod. They all went south on the 4.45 train. **4.** Arrived in St. Paul at 8.30. Wood, Ransom, Gourlay, Strang, and I hired a car and spent four hours driving around St. Paul and Minneapolis. We left St. Paul at 6.30 for Kansas City. **5.** Arrived in Kansas City at 8.30 and all registered at the Baltimore Hotel. The conference opened at 10 A.M. We had speeches all day. I spoke¹⁰ at the banquet in the evening along with Jardine, U.S.

¹⁰His speech was in part as follows:

"If I were asked to state what in my opinion are the main reasons for the success so far attained by the Canadian wheat pools . . . I would put first, a live intelligent membership, keenly interested in every activity of the organization, and in turn the election from that membership of a governing body of representatives who regard themselves as trusted servants of their brother growers, and who realize the necessity of a well-informed membership and act accordingly. To me that is the very foundation of any co-operative movement among growers, a live, keen, well-informed membership, and I think any co-operative organization should do everything in its power to give all possible information regarding all the activities of the organization to its members.

"I would next place the fact that we have been able to secure the services of expert reliable men who have become imbued with the spirit of the movement and who have a real desire to give their best service to their employers, the pool farmers of Western Canada. Another important factor is that while we pay good salaries, we have endeavoured to keep within reasonable limits, and I think that is a matter of great importance. I believe that more than one farmers' co-operative organization has been put on the skids by paying altogether too large salaries, and while we recognize the necessity of paying good substantial salaries to get the best men possible, we do try to keep salaries within reasonable bounds. In a large business such as the wheat pools it is necessary to get the best men possible and pay them well for their work. On the other hand, men who are capable of holding responsible positions in a co-operative organization can make a real contribution to the advancement of the movement by being content with a reasonable income. I want to stress that. Without elaborating any further I would like to stress the point as of great importance in its psychological effects" (*Proceedings of the Second International Co-operative Wheat Pool Conference held at Kansas City, May 5th, 6th and 7th, 1927*).

Secretary of Agriculture, Brownlee of Alberta, Wilson of Australia, and Ohsol of Russia. It was a good evening and the audience were good listeners. I roomed with R. M. Mahoney. 6. Conference continued. Had long talk with Brownlee. Carl Williams gave a very good address in the evening. 7. Attended luncheon given by the Russian delegation at 1 P.M. and one given by Burnell at 6.30. Brownlee and I went. We went to a show in the evening and caught the 11.30 train to Minneapolis. 8. All day on the train. We were held up over two hours by a washout. Passed a lot of country under water. We missed our train at Minneapolis and had to stay there a day. We stopped at the Curtis Hotel. Passed through a lot of wonderful farming country in the state of Iowa. 9. Spent the day at Minneapolis and St. Paul. We visited the Ford Plant which covers 19 acres and saw the assembling of a Ford car. Had talk with the Superintendent. We left Minneapolis at 5.45 for Winnipeg. **June 1.** Board meeting all day. All there but Dundas. The Board gave a luncheon to the Winnipeg editors of foreign newspapers. Wood, Burnell, and I spoke briefly. **October 12.** We gave a dinner at the Royal Alex. to the visiting press men. I spoke briefly, also Wood, Burnell, and Col. Maclean of *Maclean's Magazine*. Mr. A. A. King of Victoria, Australia, also spoke. **December 5.** Met and had talk with Irwin¹¹ of *Maclean's Magazine*.

March 10, 1928. Ottawa. . . . Went out and called on the Governor-General and his wife at 10.30. They are very pleasant people. I spoke at the Canadian Club luncheon at 1.15. Robb, Dunning, Motherwell, Ralston, and Dr. King were there and quite a distinguished gathering. I enjoyed the experience and got a warm reception. Spent afternoon with a number of people. Newman particularly. Had supper with Fansher and Campbell. **12.** Toronto. Spoke at Canadian Club. Large turnout—400. Good attention and interest. Frank Evans and Neil Cameron were there and Professor Tisdale. I had a real good time at the Canadian Club. Took the 9 P.M. train to Winnipeg.

An international conference was held at Regina in June, 1928.

June 5. Board meeting at 8 to 9.45. International conference started at 10 A.M. Board of Trade gave a banquet in the evening. Wood gave a very good address. 6. International conference all day. Brownlee, Gardiner, Bracken, and Sir Thos. Allen spoke at evening banquet. 7. I was sick most of the day with my stomach. Conference ended in the afternoon. Pool banquet in the evening. Mr. Judd, Mrs. Parlbay, and myself spoke.¹² **July 16.** Spent all day in Saskatoon. Addressed a convention of Norwegians at the Fair grounds at 3 P.M. Spent all day and evening at the office. Broten was in and Harold Young, also John Strain. Called on Turner and Waldron. Evening train to Regina.

¹¹Mr. W. A. Irwin wrote a series of articles for *Maclean's Magazine* which were reprinted as *The Canadian Wheat Pool* (August, 1929).

¹²"The Pool's Place in Our National Life." See *Proceedings of the First International Pool Conference which includes the Third International Wheat Pool Conference held at Regina, June 5th, 6th and 7th, 1928*, pp. 137-43.

The Central Selling Agency continued its policy of disposing of terminal elevators to the provinces and terminals 1, 2, and 3 were sold to the Manitoba pool. The growth of country facilities owned by the provincial pools was evident in an increase in the percentage of total grain handled from 11.40 per cent in 1924-5 to 58.57 per cent in 1927-8. In Manitoba the percentage increased from 32.79 per cent to 52.54 per cent, in Saskatchewan from 11.18 per cent to 70.25 per cent, and in Alberta from 4.51 per cent to 38.57 per cent. Of the total deliveries to the Central Selling Agency in 1927-8, 49,396,729 bushels were exported from the Pacific Coast ports and 161,722,001 to Eastern Canada. "The development of Pacific Coast ports is of vast importance in so far as it promises to relieve the eastern route for winter sales and is competing successfully with the Atlantic sea-board ports. The reduction in rates over the mountains and the increasing facilities at the Pacific terminals are the chief factors in the situation."

The low quality of the crops in 1927 enhanced the interest in grading. The Saskatchewan grading committee in 1926-7 was extended to an interprovincial committee¹³ in 1927-8. The former "recommended that the necessary steps should be taken to see that the out-turn grades of grain shipped from terminal elevators should be of the same standard as that in use at primary inspection points." The latter assumed that it was "all important from an inspection and grading standpoint that the individual producer should receive an exact settlement on his shipment irrespective of whether the terminal elevator was able to operate at a profit or not." The attention of the grower was drawn to the problem of mixing of grades at the head of the lakes but without recommendation.

¹³"**November 23, 1927.** Talked mostly of new terminal at Port Arthur and grading question. **February 9, 1928.** Arrived in Winnipeg in the morning. I sat with the grading committee at its first meeting a good part of the day. **April 9.** Grading committee were in Regina and we had meeting. We all went to Winnipeg in the evening. **10.** I attended a meeting of the grading committee with Manitoba pool people and Geo. McIvor. **July 12.** Sat with the grading committee a good part of the time. **August 7.** All day attending meeting of grading committee."

CHAPTER VII

THE CROP OF 1928

ATTEMPTS were made at an early date to secure a guarantee of an extension in the life of the pool by securing contracts for the second pool beginning August 1, 1928. The large elevator system was a spur to efforts to acquire control over acreage. On June 8, 1927, it was announced that 44,673 contracts covering 6,491,464 acres had been signed up. Campaign literature¹ was issued and the drive was intensified in 1928.

April 21, 1928. Board meeting all day. We decided against G. W. Robertson's long held opinion to put on an intensive campaign for contracts some time in June. **May 7.** I was in the office all day. The Field Service men were in. Had long talk with Charlie King in the morning. Had lunch with Bob Milliken. Attended Field Service men's meeting afternoon and evening laying plans for final contract drive.

McPhail was engaged throughout the summer in stimulating interest in the activities of the pool. He wrote on **July 4:**

I think my first duty is to the district in which I am a director and delegate and as a lot of my time is taken up with Board meetings and attending to other business here and elsewhere I find it difficult to attend meetings throughout the province. . . . **June 24, 1928.** Arrived in Lestock at 9 A.M. Hired Johnny Lenvoy to drive me to Honeybank church. Called at Hamilton's, Bob Beckett's—and had lunch at McIntosh's. Addressed a large gathering in the afternoon at Honeybank. A large number of people there from Elfros and Plains. Drove back to Lestock. Geo. Nofield drove me to Leross where I stayed all night. **25.** Around Lestock all day. Went out to the new farm with Duncan in the morning. Young Evoy and Thomson took my car from Regina. **26.** Drove out to Prudens for lunch. I met there young Gudmundson from near Elfros and took him down to Lestock to look at my place with a view to breaking. Had supper at Bob McDougall's and stopped at Old Mac's all night. **27.** Went down to 13 in the morning and saw Tom Sabiston about cutting scrub. Had lunch in Elfros. Went to Wynyard with Ole Johnson and Dr. Paulson and — Howe, chairman of

¹"**December 14, 1926.** We were in session until 11 P.M. Evening session taken up with new contract." See *Saskatchewan Co-operative Wheat Producers Limited Handbook*, no. 2, Regina, February, 1927; *Co-operative Wheat Marketing in Saskatchewan Handbook*, no. 3, July, 1927; *Pooling Alberta's Wheat* (Calgary, January, 1928). The first document gives a description of the new contract on pp. 10ff. The Northwest Grain Dealers' Association published attacks on the pool in *Facts on Grain Marketing* and *Why the Hurry?*

Leslie local committee, to see a young Icander, editor of an Icelandic paper in Winnipeg. I drove to Model Farm after supper to a meeting. Only 6 out. I stopped at Harry Whitney's. 28. Drove to Foam Lake. I knocked the lower oil tap off my car and lost all the oil but had enough oil in can. Lunch and supper in Foam Lake. Drove out to E. O. Johnson's, south of Tuffnell and to Mason's—who was not at home. Young, Stratachuk, and I drove to the Model Farm Ruthenian Hall for a meeting—only 6 out. Stopped at Foam Lake all night. 29. Met Ira O'Dell in the morning. Had talk with Malcolm Craig who, I think, will come into the pool. Also had long talk with Pendlebury, who I am afraid will not sign. Had lunch at Elfros. Had talk with Clyde Gowan. Drove to Holar Hall and addressed picnic. Drove to Cresswell and addressed a good gathering. Drove to Dunc's and stopped all night. 30. Drove to Bob McDougall's. Called to see Albert Farrell about breaking. Addressed meeting in Bank End school after dinner and drove to Model Farm for meeting. There were only about 10 there and we decided not to have meeting. It rained a lot in the afternoon and the roads were very bad. I drove to Kelliher and to Lestock after 9.30 p.m. in bad roads. **July 1.** . . . Put in very quiet day in Lestock. Drove to Leross and back. Very muddy. 2. Spent all morning in Lestock. Started for Regina at 1 p.m. via Dysart. Went as far as J. Labash's and returned to Lestock. Had talk with Labash. Drove to Leross and then decided to go to Regina. Left there at 5 p.m. and got to Southey after 1 a.m. Got stuck twice. Rained most of the way. 3. Left Southey in the morning and met a truck and ran off the grade 6 miles south. Geo. Edwards was with the truck. Got in at 10 a.m. We had an executive meeting all afternoon.

8. Took the midnight for Saskatoon. 9. Arrived in Saskatoon in the morning and spent the morning at pool office and with Turner and Waldron. Went to Conquest and had a meeting there at 4 p.m. Had a meeting in Rosetown at 8.30. Both good meetings. Peter Kennedy accompanied me. 10. Took train to Tessier where I was met by a Mr. McMillan. He drove me to Wm. Ross's place. Ross went with us to Kinley where we met Jim and Bob Hutchinson. We drove to Mr. —, Wheat Pool delegate, for lunch and then to Caswell's Crossing, where there was a gathering of about 1,000 people. I addressed them for about three-quarters of an hour. Ahearn drove me to Saskatoon and I took the midnight train to Regina. Spent the evening with Pat Waldron.

23. Drove to Weyburn and addressed the Rotary Club at luncheon. Addressed pool meeting at 2.30 in Municipal Hall. I drove back to Regina in less than three hours. 24. The morning in the office. Bob Milliken and I drove to Semans where we had a largely attended meeting. It rained very heavily during the meeting and we had to stay in Semans all night. 25. Bob and I left Semans at about 10 a.m. and arrived in Regina at 3 p.m. It was very muddy as far as Earl Grey. 28. Spent morning at the office. Drove to Lestock and Leross after lunch. 30. Drove to Foam Lake from McIntosh's. Met there Harold Young, McDonald—traveller, and John Sveinbjornson. Had meeting in school near Clara Willis in the evening. Called at Bob McDougall's and Thurgood's in the morning and had lunch at Old Mac's. 31. Spent most of the day at Foam Lake. Young and I drove out

and called on John McLean and Royal. We called on Dunlop, but he was out. McLean seemed pleased to have a visit. We had a meeting in Malby school at 8 P.M., about 30 out. I drove 50 miles after the meeting to Leross.

September 15. Arrived in Regina at 11 A.M. and went to the office. Nothing new except that there are a very large number of contracts coming in every day. It is quite unusual for this time of year. No doubt the low prices are making many join. We are much stronger than at any time since the pool was organized. There has been a lot of threshing this week.

On October 31, 77,404 contracts were signed representing 10,735,448 acres. The drive was continued throughout the year. "**October 31.** I was at the office until 11 p.m. with L. McIntosh discussing ways and means of dealing with the foreign-speaking people. Mac is a very good man. **March 5, 1929.** Met Fred Johnson, Jack Vallance, and Chas. Stewart re signing Indian land to pool contract."

The large acreage under new contract coincided with a very large harvest of low grade wheat, and the extension of control over elevator facilities greatly increased the force of public demands. This was evident in the attempt to pay storage to encourage farmers to hold back their grain.

August 13, 1928. Executive meeting all day mostly taken up with a discussion of farm storage. **15.** Spent all day in Board meeting discussing farm storage. I do not believe in it but the delegates approved of it provided a suitable method could be worked out for its application. **16.** Board meeting all day. Over half of it spent in the throes of farm storage without coming to any decision. We finally appointed a committee to confer with Alberta and report. We spent the balance of the day with my report of the Central business. **September 19.** Discussed farm storage most of the day. **21.** Board meeting all day, a great part discussing farm storage. I am opposed to the idea but think we must put something into operation this year that will be as inexpensive as possible and at the same time give us some experience of value. If we do anything that is going to widen materially the gross price and the net price the farmer receives, it will have a serious effect. **22.** Farm storage again nearly all day. We finally decided to have the Elevator Co. pay the storage to avoid any complications with Elevator Companies. I will be opposed to having the pool reimburse the Elevator Co. at the end of the season for that would simply be another way of evading our agreement with the Line Companies. Board adjourned.

The experiment lasted for a year and cost \$306,456. It had little effect in slowing down deliveries.

The most outstanding feature of the season's deliveries was the rate the grain was delivered at the primary market. . . . This was in spite of the efforts of the pools to keep the grain back on the farm by paying farm storage. The

use of the combine and truck, the increased efficiency of the railroads combined with the small value of low grade wheats and a favourable season for the crop movement, created a market situation without precedent. . . . The year 1928 was unique. . . . The farmer was permitted from the beginning of harvest to the end of threshing to continue his operations with practically no interruption with the result that his grain was delivered at country points with a rush and in enormous quantities as compared with the previous or any other year (*Fifth Annual Report Saskatchewan Co-operative Wheat Producers Limited*).

As a result of the haste in moving grain to the elevator, the pool farmer complained of inadequate pool facilities. He was entitled to a patronage dividend of 1 to 1½ cents per bushel on grain put through pool terminals but the distribution of cars between the elevators at a given point made no allowance for the pressure on the pool elevator. Consequently pool elevators were among the first to be plugged and the pool farmer was compelled to take his grain to other elevators and to run the risk of losing his premium. While under section 150 of the Canada Grain Act the farmer had the right to select his terminal, following the Campbell amendment, line elevators claimed that clause 15 of the contract² between the pools and the line elevators gave them the right to determine the terminal elevator. These difficulties contributed powerfully to the demand for the construction of elevators by the pools. They enormously increased the burden of management evident in the resignations of Hingley and McRae.

August 31, 1928. Had long talk with L. C. B. re general managership. **October 25.** I had a long talk with Norman Lambert. I rather think he would make a good general manager for Saskatchewan. **December 31.** Arrived in Edmonton at 10.15 and went to Brownlee's office. Had long talk with J. E. B. Met Dinning and had a long talk regarding the possibility of him coming to the Saskatchewan pool as general manager. I liked Dinning and while it is difficult to know definitely I am prepared to believe he could handle this difficult and responsible position. Brownlee has evidently made up his mind to get out of politics but I have so often heard him state he was going to quit that I doubt if he can break away from work in which he has been so successful and from associates who will insist on him remaining. If he does break away I would like to see him associated with the pools, but whether or not that can be done I do not know. I left on the 3 P.M. train for Regina. **February 11,**

²This contract signed in 1927 expired September 1, 1930. A new agreement for three years after that date enabled the grower to divert carload shipments to specified terminal elevators. The carrying charge was increased from 1 to 1½ cents per bushel per month (*Reports of the Royal Grain Inquiry Commission, 1928, Regina, 1929, pp. 46-7*).

1929. All day at the office. Mr. Dinning was in the office most of the day talking over the possibility of becoming general manager of the Saskatchewan organization. I am much taken with him. **27.** Mr. Dinning [Liquor Board Commission] of Edmonton was down and I introduced him to the members of the Board a few at a time. I am convinced he would make a good general manager for the Saskatchewan organization but I am afraid some members of the Board will block the appointment. Democracy, O Democracy!

Members of the Board were sceptical regarding his knowledge of wheat operations.

March 22 and 23. Board meeting all day. I introduced the question of a general manager but we came to no decision. I do not know how we are ever to agree on a man. **April 20.** Had a very secret talk or seance with —. He is a most difficult man to work with. Most suspicious man I ever met. An impossible, very mediocre man. **June 15.** I also introduced the question of securing Chas. Dunning as general manager. Most of the Board are favourable.

Internal strains were not reduced by the problem of management.

July 5. Spent all day in the office. Had long talk with A. T. Hunter in the morning re milling. Had long talk with — in the afternoon. —'s amazing incompetency for his position is quite apparent. His appointment to position of — is the most discouraging thing that has been done since the pool was organized. Quite unfit to handle men. Weak and stubborn as weak men usually are. **6.** Spent the morning in the office. Had long talk with Yates. He is getting no co-operation with —. — could straighten out the trouble if he would. If I interfere too much over the head of —, the Board—many of them—think I am prejudiced against —. I intend to take a hand anyway. The only hope is a strong enough man directly in charge. Drove to Elfros.

The pool did succeed, however, in securing Mr. R. C. Findlay as treasurer. "**December 5.** All day in Winnipeg office. Called on Findlay at his home and had long talk. I believe he is a first-class man. **27.** Had lunch with Findlay, our auditor, who I hope is coming to the Saskatchewan pool as treasurer. He is a particularly good man. **March 29, 1929.** Mr. Findlay came to the office at 2 P.M. and we had a long talk." He joined the organization in April.

The tasks imposed upon the organization enhanced structural weakness. The Board became unwieldy.

October 16, 1928. — as usual occupied the greater part of the time of the Board when he was in the Board room. **18.** — as usual took up at least half the time as against 15 other directors. **November 8.** Arrived in Brandon at 4.30 A.M. Spent the day at the Manitoba Wheat Pool annual

meeting. It is quiet compared to Saskatchewan. There are too many in our meeting who like to hear themselves talk. . . . If the people knew the waste of time and money caused by a few men they would not be elected again. **December 19.** Board meeting all day. Wasted a great deal of time discussing legal matters. Amendments to our private Act. Board members cannot get away from the temptation to argue legal points with counsel.

Cases of attempted patronage were apparently unique but nevertheless indicated the character of the administrative problem. "**October 5, 1928.** — Director — is very anxious to be in the Moose Jaw office this winter. The executive recommended to the Board that if anyone was needed, Head Office would supply the need. It is very dangerous to have directors seeking jobs for themselves. **16.** — put up quite a fight for a job in the Moose Jaw office. It was a sorry spectacle for an otherwise nice simple-minded man."

The susceptibility of the Board and the delegates to the pressure of public opinion left it exposed to the demands of policies urged by the United Farmers of Canada (Saskatchewan section). As an amalgamation of two organizations, friction was not absent among its officers. It tended to neglect difficult but important educational activities in the development of co-operation and to emphasize political interest in such subjects as compulsory marketing. Lack of effective leadership as a result of the drains of the pool brought problems for both organizations.³

³The temptation on the part of members of the Board to speak injudiciously was evident in a speech by Marsh to the United Farmers' convention at Moose Jaw on March 23 charging the Inspection Department with mixing, for which he was taken to task by the Board of Grain Commissioners. "**April 21, 1927.** Marsh got letter from Board of Grain Commissioners re his speech at Moose Jaw. **30.** Ramsay came back from Fort William and reported that no evidence could be secured to substantiate Marsh's statement re mixing. **May 27.** Board meeting all day. We had most of the afternoon taken up with a discussion of Marsh's explanation to the Board of Grain Commissioners re his very foolish statement re mixing grain at the U.F.C. convention at Moose Jaw. I hope it keeps clear for there seems to be only about 60 per cent of wheat seeding done yet. **June 14.** Boyd and Snow, Board of Grain Commissioners, notified G. W. Robertson today that they wanted to meet Marsh and Milliken here tomorrow. **15.** All day at the office. Marsh, Milliken, and I and McRae met Boyd and Snow, Board of Grain Commissioners, to settle the question of the reflection cast on the Inspection Department as a result of Marsh's statement re mixing at U.F.C. convention. I think we got it straightened out. I took the 11.55 train to Saskatoon." The speech was printed in the *Western Producer*, March 31. It was a source of embarrassment to the pool and was seized upon by the grain trade. See *Serious Charges made by Pool Director*, published by the Northwest Grain Dealers' Association.

August 12, 1926. I had talk with Stoneman [President of the U.F.C.] in the evening at the Wascana Hotel. **October 5.** I spent the morning around Saskatoon. Visited the Farmers' Union of Canada office and had talk with Moss Thrasher. Had lunch with Pat Waldron. I hired a Dodge car and drove to McNaughton's. . . . Had long talk with Mrs. McNaughton. The two Hunter boys, Alex and John, were there. John McNaughton was away on the membership campaign for the new organization [U.F.C.]. **September 22.** — Stoneman, Thrasher [Secretary-treasurer], and Edwards [Vice-President], met the Board at 5.45 P.M. and discussed collecting fees by requisitions on the pool. — as usual again took up most of the time of the Board. **March 23, 1927.** Brouillette is acting as chairman at the first convention of the United Farmers. **April 20.** John Stoneman met the Board re buying supplies from trading department of United Farmers of Canada. **October 15.** Stoneman was in and I had a two hours' talk with him. **December 13.** Board meeting all day. Our Board met the executive of the United Farmers after lunch. Stoneman, Edwards, Mrs. Hollis, Bickerton, Williams, Murray, and Thrasher were present. Stoneman was quite anxious to have the Wheat Pool Board committed to a compulsory 100 per cent pool but I made it quite clear that the pool would not be committed at present. I think the idea is out of the question when mentioned in the same day as co-operation.⁴ Brouillette, Catton, and I took the evening train to Winnipeg. **March 1, 1928.** Bob Matheson and I went to Saskatoon on the C.N.R. train. I spoke at the U.F.C. convention and returned to Regina on the 11.05.

An attempt to develop an interest in co-operation rather than compulsion was not conspicuously successful. Arrangements for publicity were improved and attempts were made to co-operate in educational activities with the U.F.C.

September 18. Spoke at the banquet of the Canada Mortgage Men's Association at noon. I think I got along well. **October 4.** We had a long discussion on education through pictures, schools, etc., on the executive. We must do something to teach co-op. as a way of living. **5.** We gave a luncheon to the Saskatchewan Newspaper Men's Association. Brouillette and Motherwell spoke. **November 6.** Baldwin is in B.C. with Fry investigating radio. **16.** We had a very long report on radio from Fry and Baldwin. **February 9, 1929.** Spent all day in Saskatoon attending meeting of educational committee. **12.** At the office most of the day. Mr. and Mrs. McNaughton were

⁴In a letter to Professor C. R. Fay of **December 3, 1928**, he wrote, "In my opinion when you introduce compulsion you eliminate co-operation and I feel for many reasons that if this organization attempts to secure such legislation it will give the co-operative movement a setback for many years." A year later on **December 9, 1929**, he wrote to the Hon. Mr. Doherty. "It is altogether too bad that all the energy that is being expended in connection with the advocacy of compulsion could not be used in furthering the interests of our co-operative organization along truly co-operative lines."

here for lunch. I had to give the opening address at the U.F.C. convention. Attended the U.F.C. social evening in the city hall with Mrs. McPhail. **13.** Most of the day in the office. Wm. Robinson and W. McKenzie came home to supper. We went to hear Dr. Warbasse in the evening. I greatly liked him. **14.** Most of the day in the office. Met Dr. Warbasse in his hotel. Attended meeting on education and national organization in the Board room after noon. Burnell, Hull of Manitoba, Hutchinson of Alberta, Robertson, Fry, Turner, Waldron, Mrs. McNaughton, Mrs. Hollis, and Jack Wesson were present. Took the evening train to Winnipeg. **26.** All day again in meeting of three Boards. I had lunch with Dave MacKenzie of Bruce. We all attended a dinner at which Dr. Warbasse delivered an address. **27.** We had a small educational committee meeting at the hotel. **28.** Spent all afternoon at a meeting of the educational committee together with Geo. Williams and Macauley President and Vice-President of the U.F.C. **March 26.** I addressed the Kiwanis Club of Saskatoon at lunch and the banquet of the Saskatoon Wheat Pool committee in the evening. Attended a meeting of the educational committee in the pool office during the afternoon.

The new contract was accompanied by a redistribution of districts and by a reduction in the size of the subdistricts electing delegates. The range in the number of municipalities in various districts was narrowed. It was expected that the new arrangement would enable "delegates to represent better the views of the growers." As a result the discontent arising from the low grade crop was registered in the attitude of the delegates and heavier demands were made on the energies of McPhail.

October 12, 1928. Spent an hour in the office and started for Markinch after lunch. Geo. Edwards went with me. Alex Yates and Fry drove out too. There had been quite a fall of snow and the roads were slippery. We had an afternoon meeting and banquet at 6 P.M. and a public meeting with a large attendance at 8 P.M. **13.** Fry and I drove to Lestock for lunch and from there to Wishart. From there down past Bank End. We had supper at Halvorson's and drove to Model Farm Hall where we had a meeting. Only about 14 attended. We drove back to McIntosh's after the meeting. **14.** We drove to Bob McDougall's and to Old Mac's for gasoline. Then down to Model Farm Ukraine Hall where we had a large meeting. . . . After the meeting we drove to Lestock for supper and then to Regina, arriving at 11.30 P.M. **27.** All forenoon in the office. Alex Yates and I drove out to Lipton for a meeting. Had a very good meeting, but not a very large attendance. We left Lipton at 11.30 and got to Regina at 2 A.M. **31.** Took the 8.45 train to Colonsay. Chris Broten met me there and drove me to Viscount. I was on my feet for about 3½ hours at a pool meeting. I got into a nasty altercation with a man named —, who was quite boorish and entirely lacking in the usual courtesy of farmers. I took the 8 P.M. train to Saskatoon and from there the midnight to Regina. **November 1 and 2.** All day in the office. Bob Milliken and I drove to Moose Jaw in the evening to attend a

pool banquet. There was a very large attendance. Speakers, Mayor Dunn, Mr. Miller of *M. J. Times*, Bob Milliken, and myself. We drove back to Regina after the banquet. 9. I left Brandon at 2.30 and arrived in Maryfield at 5.39. Had a meeting at both Maryfield and Walpole. A very good meeting at the latter place. I took the 1 A.M. train from Fairlight to Winnipeg. **March 2, 1929.** I spent the day in Foam Lake. Had lunch at Hugh McCuish's. Addressed a public meeting in the town hall from 3 to 6 P.M. I spent the night in Foam Lake.

At the delegates' meeting in November, 1928, the demands for a compulsory pool were more insistent.

November 20. Delegates' meeting opened at 10 A.M. Took all morning and more to read the minutes and directors' report. **21.** Delegates' meeting all day. Had Dr. Birchard and Jim Robinson all afternoon. **22.** Jim Robinson was before the meeting all forenoon. The Board of Trade gave the delegates a dinner at 6.30. It was quite enjoyable. Ramsay and McIvor were before the meeting all afternoon. **23.** Meeting all day. A great part taken up with the mixing problem. — and — took up most of the time. I do not understand how the delegates put up with these men. They are a real danger and pest to the organization. — can be backed against all comers in the world as a long distance talker. I had a meeting with delegates of District 14 until midnight. **24.** Meeting all day. — again taking up most of the time that should be shared by 160 men. **28.** Meeting ended a little after 6 P.M. I was greatly disappointed with the apparent support in the meeting for a compulsory pool. It will kill the organization if it becomes the policy of the pool to seek compulsory legislation.

November 29. Kennedy of Conquest told me of a plot to defeat me for director in my new district. **December 6.** Arrived home from Winnipeg and spent all day in the office. Delegates were elected last night. **12.** Directors' election day. I spent most of the morning with the delegates of new District 7. We had a District 9 meeting from 2.45 to 6.30. Very pleasant meeting. I was elected by acclamation. Four new directors elected. I am greatly disappointed that Tom Baldwin was not re-elected. **17.** Executive meeting all day. Baldwin attended for the last time. . . . I am very sorry **18.** First meeting of the new Board. We had all the elections over by noon. I was re-elected to all offices by acclamation. . . . I have "flu." **February 21, 1929.** Peter Kennedy came home with me and we talked until after 12 P.M. He is a great loss to our Board. **March 5.** I attended a meeting of my district delegates all day. We had an evening session. **7.** Spent the morning with C. L. Campbell and Douglas Young. Campbell is a very strong compulsory pool man. Young, I think, is too. **16.** Arrived in Chicago early and registered at the Stevens Hotel. Burnell came in from New York at noon and left for Winnipeg at 5. He saw Sapiro in N.Y. He intends coming to Canada to put over the compulsory pool. If he comes he will probably create a very unsatisfactory condition. MacLeod and I had dinner with John Pratt at a club and went to a good show—*White Lilacs*—Chopin's music. **April 13.** All day in the office. Had long talk with Brouillette and Wesson on compulsory co-operation.

23. Spent morning in Saskatoon at pool office and *Producer*. Arrived in Humboldt at 3 P.M. and met Osborne Upper there. Had a very good meeting at 8 P.M. May 27. P. B. Thompson and I drove to Duval to a meeting of [Wheat Pool] committees at 2 P.M. and a public meeting at 8 P.M. Both good meetings. 28. We drove to Bulyea for lunch. Called at Strasbourg and met Foos, one of our elevator agents there. . . . We had a very good committee meeting at 2 P.M. and over 200 at evening meeting. Good feeling everywhere. 29. We drove to Dysart and had a good meeting at 2 P.M. except for trouble Bristow tried to stir up but didn't get away with. We had a good meeting in the evening but not very large because of the rain. 30. Drove to Kelliher for lunch and had lunch with Dave Cragg, who is running as Progressive candidate in Touchwood, and also Dan McRae. We had a very good afternoon meeting of committees and an excellent evening meeting. Large crowd. Billy Robinson, chairman. 31. We drove to Raymore for lunch. Good afternoon meeting, but not as good as usual. We had a very good evening meeting. Alex Yates attended both Kelliher and Raymore. June 7. We drove to Elfros in the morning. I drove with Dunc and P. B. Thompson to Foam Lake. We had a good afternoon meeting and a very poor evening meeting. July 3. We drove from Grenfell to Carlyle by noon. Took part in the afternoon programme. We had a large number of 10 minute speeches⁶ both in the afternoon and evening. It was a well-arranged affair but evidently poorly advertised. Carlyle Lake is a wonderfully beautiful spot. 4. We had a meeting of the trustees of the Tarbat Memorial Fund and organized the Board in the morning. Barr, Mrs. Holmes, McIntosh, and I had lunch at Carlyle. Left for Regina about 12 K. and arrived about 7 P.M. The crops over most of the territory covered are very poor. 9. I went to Wynyard on the morning train. Attended a U.F.C. rally at the lake and spoke. . . . I had to leave at 4.30 to get the train to Winnipeg. . . . Crops looking very short. 13. Arrived in Dafoe at noon. Harry Marsh had just arrived from Regina with his car. Upper was also there. Stoneham took my car up from Regina. We had a meeting of committees all afternoon and a large public meeting in the evening. Marsh and Stoneham drove to Regina. Wesson and I drove to Elfros. 17. Board meeting all day. I drove out with Geo. Barr to Zehner to a large picnic. I spoke for twenty minutes. There were about 1,500 people in attendance. 22. Pewtress drove me to Fred Edwards for lunch. We drove to Eston where we had a committee meeting all afternoon. 80 present. There were over 500 at the evening meeting. John Wellbelove and Geo. Edwards spoke as well as myself. We drove back to Netherhill after the meeting.

June 15, 1929. Board meeting all day. We had a discussion on Sapiro's visit. The Board were of the opinion I should not accompany him on his tour of the province, nor any other member of the Board officially. 18. Delegates' meeting all day. Nothing happened out of the ordinary. I was in the chair all day but for about an hour in the afternoon. 19. Delegates' meeting. McIvor, Ramsay, Folliott, and Jackman took up all after-

⁶McPhail's speech was printed and distributed under the title "*Not unto Himself Alone.*" The meeting was intended to establish a memorial in honour of the late George Tarbat "to carry on co-operative education."

noon. The Board dined Mr. Wilkins, President of the Cooperative Wholesale Society, and Mr. Riddle, Board member, C.W.S., at the Saskatchewan in the evening. 20. We took up all the afternoon in a discussion of compulsory pool. — spoke for an hour and ten minutes and made quite an appeal of a kind. Very little argument. Had lunch with Wilkins and Riddle. 21. Spent all day in discussing compulsion. Some good speeches. The vote on the amendment to approve of the plan and go out and educate for support lost by 94 to 56 counting my vote against. We did not count the vote on the main resolution which was overwhelmingly defeated perhaps 120 to 20 or 25 at most. It was a very satisfactory result and decides for a time this most dangerous question. 22. It will be interesting to see how Sapiro will be received next week when he comes to advocate what the delegates have turned down. I hope most people will awaken to just what he is.

25. Spent all day in the office. We had a Board meeting in the morning. Eight of the Board went to Saskatoon to entertain Sapiro this evening. . . . I went to Winnipeg in the evening. 26. Sapiro raked the pool Board fore and aft at the banquet and Arthur Meighen spanked Sapiro very courteously. 27. They all seem to think that Sapiro hurt himself last night by his petty personal references. 28. Arrived in Regina and spent the day in the office. I attended the Canadian Club luncheon to hear Sapiro but he didn't speak on account of throat trouble. Williams [of the U.F.C.] spoke in his place and made a lamentably weak address. Sapiro shook hands but I am sure would have preferred not to. I hope a larger number of people will sense the kind of man he really is as a result of his present visit to Saskatchewan. 29. All morning in the office. — was in for a short time yesterday. I was going to tell him if I had time what I think of him and his present activities. The pool has defeated the proposal for a compulsory pool and he is travelling with a man taken in by another organization to fight the pool on this question. Worse than that, Sapiro is attacking certain officials of the pool and at the same time boosting —. — gives support to it all by being on the same platform.

The extension of democratic control had its effects not only in the demands for compulsory marketing but also in a further increase of elevators. The Saskatchewan Wheat Pool Construction Company, Limited, was formed to carry out elevator construction. During the year 1928-9 the number of elevators operated totalled 970. Saskatchewan pool terminals were extended and \$4,000,000 of commercial reserve was invested in pool terminal no. 7. During the year August 1, 1928, to July 31, 1929, the five pool terminals handled 113,111,267 bushels of all grain of which 1,654,950 bushels belonged to the Manitoba pool and 536,081 bushels to the Alberta pool. At the delegates' meeting in **June, 1929**, "19. Spent all morning discussing elevator policy. 20. We spent some time on elevator policy in the morning. Marsh wished to have more duplication at heavy points."

THE PROBLEM OF GRADING

The crop of 1928 was "a record crop in so far as volume is concerned. It was possibly also a record low grade crop" as a result of the frosts of August 22, 23, and 24. In a total of 253,102,585 bushels delivered to the Central Selling Agency there were over 37 million bushels No. 2 Northern, 53 million No. 3, 48 million No. 4, 42 million No. 5, 37 million No. 6, and nearly 12 million feed. Grading became an exceedingly contentious subject. Grade losses in Saskatchewan totalled \$356,000.

August 25, 1928. . . . We spent most of the day with the Alberta Board discussing farm storage, also premiums to mills and their allocation to provinces. Agreed on allowing Garnet wheat in No. 1 Northern. Alberta always requires patience and careful handling. Moffatt and I returned to Regina on the 7.50. **September 20.** Board meeting all day. Brusech of the Robin Hood Flour Mills met the Board after lunch and discussed diversions⁶ to mills and value of different varieties of grades of wheat. **October 2.** Spent all day around office. Ramsay, MacLeod, G. F. Edwards had lunch together at Hudson Bay. Had long talk with J. D. Read and Skipworth re plans to avoid losses from line Co.'s in over-grading. Talked to McLaren. **3.** Ramsay, McIvor, and I had a long conference with Mr. Motherwell. I spent some time in inspection department and am convinced they are giving all the benefit of the doubt they can to the farmer. **22.** Meeting of the three Boards all day in the Royal Alex. We had a meeting of the grading committee in Ramsay's office in the evening. **25.** Ramsay, Milliken, and I had a long talk with Motherwell re grading. Old W. R. M. is certainly interested in agriculture. **November 12.** Brouillette, Catton, Jensen, R. A. McPherson, Paul Bredt, Ramsay, Bob Steele, and I met most of the day as a grading committee. . . . Catton and I left for Regina.

With low grades the problem of mixing assumed serious proportions.

November 14. The Board spent most of the afternoon discussing the grain mixing section of the directors' report to the delegates. They approved of the Turgeon recommendation which is not practical. **15.** Board meeting all day. The question of rescinding the motion re out-turn standards from Fort William was raised but on account of the bitterness displayed by some Board members it was dropped. What they passed yesterday is *quite* impossible to carry out in practice but some of the Board members really do

⁶Milling companies were allowed by elevator companies to divert to the mill cars of grain passing through the railway yards of certain points after having broken the seal and taken a sample of the wheat. They paid a premium in the form of a spot price. The practice was regarded as objectionable (*Reports of the Royal Grain Inquiry Commission, 1928, Regina, 1929, p. 32*).

not know it. **January 1, 1929.** Arrived in Regina at 5.45. Spent the morning at home and at the office. Motherwell called up and talked about grain mixing.

McPhail was anxious to have a united front in presenting the proposals which had been worked out over a long period by the grading committees.

March 8. All day in Winnipeg. Plumer and Porter of Alberta, Burnell and Murray of Manitoba, Milliken and myself of Saskatchewan, and Ramsay —had a meeting re matters we are to take up at Ottawa. **9.** We all took the Canadian National to Ottawa and spent all day on the train. MacLeod as well. **10.** Our dining car was put out of biz. early in the morning. Mr. Kingsland, Western Manager of the C.N., fed our party for the balance of the trip in his private car. **11.** Arrived in Ottawa early and registered at the Château. I saw Motherwell in the morning. We worked in our rooms most of the day. **12.** We had a meeting from 10 to 12.30 with Messrs. Malcolm, Motherwell, Forke, and Stewart. Dunning was sick and could not attend. Spent the afternoon around the Buildings. **13.** We had a meeting with all the Western members at 10 A.M. and at 2 P.M. and we met the Agricultural Committee⁷ at 4 to 6. They were very satisfactory meetings. We arranged another meeting with the Western members at 8 P.M., but only a few turned up so we dispersed. I spent part of the evening with M. Campbell. **14.** We met the Agricultural Committee at 10 A.M. re new grades for barley and at 4 P.M. on the hybrid ticket. I had a long talk with Charlie Dunning about Canada Grain Act amendments. He is quite sick. Had been in bed for a week with an attack of appendicitis. We all left Ottawa in the evening, Milliken, MacLeod, and I going to Toronto. **May 14.** Arrived in Ottawa in the morning. McCallum and Bennett gave evidence before the Agricultural Committee. **15.** Bredt and Harrison gave evidence before Agricultural Committee on barley grades. I had lunch with Garland and Gardiner and Woodsworth and a priest from Nova Scotia. **16.** Spent most of morning with Porter in Coote's room. Garland also in. Had talk with Dunning and let him know that we were suspicious that the Grain Act legislation was in danger of not going through. The Grain Trade evidently are not worrying so they must have some understanding.

The recommendations of the pool were supported by the province. "Because of widespread dissatisfaction throughout the province among growers of wheat with the present method and system of handling, mixing and grading of same" a Royal Grain Inquiry Commission, consisting of J. T. Brown, J. A. Stoneman, and W. J. Rutherford, was appointed in Saskatchewan on November 10, 1928.

November 14, 1928. Judge Brown and Stoneman were in to discuss the Grain Inquiry Commission. The Commission has been appointed for purely

⁷See Appendix I, p. 197.

political purposes. **January 2, 1929.** In the office all day. Thompson and Proctor spent all afternoon with me going over evidence given so far before the Grain Inquiry Commission. Thompson is chief counsel and Proctor, assistant. **March 20.** Spent a part of the day in the office and the balance attending the sittings of the Saskatchewan Grain Inquiry Commission. I had dinner with Judge Brown and had long talk.

An interim report was presented on April 17, 1929, in the hope that it would influence the Committee on Agriculture and Colonization.

The final report was signed on September 5, 1929. "**June 22.** I had a long talk with Chief Justice Brown. **24.** I gave evidence before the Royal Grain Commission in the morning." Various recommendations were submitted in the report. It condemned the compulsory pool and presented an imposing list of achievements of the co-operative pool organization. "We do not hesitate to express the opinion that in the pool system the farmer has found for himself the most effective and satisfactory method yet devised for marketing his product." The pool was opposed to mixing of the contract grades because the price received by the farmer was based on the minimum of the grade rather than on the average. The grain exported abroad from private terminals tended to be near the minimum of the grade and it was to the advantage of the pool to increase the spread between Canadian and other wheat. The amendments in 1929 and in 1930 to the Canada Grain Act embodied various recommendations. New barley grades and number four wheat were made statutory and new grades were introduced to facilitate the marketing of off-grades. The export standards were raised, and mixing in terminal elevators of grades numbers 1 to 3 inclusive was prohibited. Assistant Commissioners were appointed.

ARGENTINE COMPETITION

The problem of sales was exceedingly difficult. A proposal to link up the selling organization with the United States was not acceptable.

September 11, 1928. Spent all day in Winnipeg office. . . the biggest part of the day with Gray Silver of Virginia and Dr. Coulter of North Dakota. Silver and Dr. Coulter want the Canadian pool to promise to make its selling organization a clearing house for U.S. farm products. They think the Canadian pool's prestige would induce American farmers to join the Co-op. organi-

zations there if they knew the Canadian pools⁸ were to do the selling. 12. Board meeting all day. Gray Silver, Dr. Coulter, J. F. Reid of Minnesota, and Rosenbaum of Chicago spent most of the afternoon with the Board. The Board could not see anything of a practical nature in their suggestions. We must be very careful to preserve the good name of our organization.

October 3. Talked to Ramsay and McIvor re selling on steady or rising market. . . . No export. Ramsay, Burnell, and I had lunch with a Mr. Laird who was formerly with the Union Bank. 11. Our selling seems to be going on just about right as far as one can tell without being able to foretell the future.

On February 15, 1929, it was decided that if October wheat was salable at \$1.35 the pool should commence selling. On **May 9** "a weakness in the local market influenced by the condition in the United States of America prohibiting the sales of wheat on those levels, it was agreed that support be given to the market if necessary in order to prevent a continued slump." The pool purchased 6,153,000 bushels from May 9 to 17 at an average of 1.14 cents.⁹ Mr. Ramsay made a statement on May 11 intended to be reassuring: "The past week has been a splendid illustration of the inadequacy of using a system under modern conditions that will permit of the offering for sale of enormous quantities of produce at any one time, especially quantities tremendously in excess of the consumption demand." World production was 200 million bushels greater in 1928-9 than in 1927-8, but this was in "large measure offset by increased consumption of wheat. . . . There is no doubt that a reasonable price will be obtained for the balance of this year's and succeeding crops as we are adequately financed and prepared to wait for the actual demand." Mr. McIvor stated that

by far the most vexing situation which has confronted us this year has been the manner in which the Argentine exporters have been flooding the market with wheat. . . . The Argentine crop is of excellent quality this year. In a normal year their standard export type Rosafe is generally conceded to be equal in quality to our No. 3 Northern, yet they have been consistently selling it in the markets of Europe below what we have been getting for No. 4 and have sold a good deal at prices below what we have received for No. 5. . . . It is my firm conviction that the consistent and firm practice of the well-known

⁸This proposal was advanced by Mr. Sapiro at an earlier date. "**May 1, 1926.** I had dinner with Brownlee, Sapiro, Strause of N.Y., and McIvor. Had long talk with Sapiro re Washington farm relief legislation. He thinks if they form an organization there to handle the surplus wheat, the surplus should be handled by the Canadian pool."

⁹It sold them at \$1.23 in June at a profit of \$357,000 (Mr. P. F. Bredt, *Winipeg Free Press*, Aug. 15, 1935).

operating policy of the pool, namely to feed the market in a manner which will maintain the proper balance between demand and supply, and secure for us the maximum price for our wheat has never been more thoroughly vindicated than during the past few months.

The disparity between the price of Rosafe and No. 3 Northern emerged as early as September, 1928, and became increasingly ominous until May.

"**May 22, 1929.** We arrived in Winnipeg at 10 A.M. I spent all day in the office mostly with Ramsay, also with McIntyre and Foliott. I think we are in a very good position with our sales. It may turn out that we should have more sold but I cannot see how we could and follow in any way an orderly sales policy." In June twenty million bushels were sold, in July thirteen and one-half millions, and in August three millions. "**August 15.** Board meeting all day. Adjourned at 5.30. Nothing important but our market position. We have a larger bank loan than at any time since we started doing business. It has been and is a rather trying period with high prices prevailing and no demand for wheat. **16.** Arrived in Regina on the morning train and spent all day in executive meeting. We sold 700,000 wheat to the United Kingdom today. First big biz. for many weeks." Not only had competition increased with the high grade Argentine crop which was rushed on the market through an absence of storage facilities but European markets had been narrowed by an increase in tariffs in France from 15 cents per bushel in 1924 to 53 cents in 1929, in Germany to 48½ cents, and in Italy to 73½ cents. The carryover on August 31 totalled 48,358,585 bushels.¹⁰

As a result of the large crop of low grade wheat the policy of the pool in dominating the market in the latter part of the crop year came into severe competition with the high grade wheat of the Argentine. The pool followed the precedent of the spring of 1925 and bought wheat to steady the market. "We had 173 to 174 million bushels of wheat sold at the first of May out of a total to sell for that year of 255 million, including local purchases. . . . When the big break in prices came in May, to as low as 1.06 and 1.08 a bushel, we decided to take a definite stand against what we considered a bear

¹⁰"The policy of an organization of this kind should be to sell each crop within the selling year for that crop except under very exceptional conditions and even under exceptional conditions I think it is wise to carry over as little as possible."

raid on the market. We bought between four and five million bushels of wheat."¹¹

The large crop of damaged wheat in 1928 increased the difficulties of determining the initial, interim, and final payments.

August 14, 1928. Wheat prices went up from 1.11 to 1.15 today on frost reports from Alberta. 18. Spent all morning in the office with Ramsay, McIvor, and Burnell. Decided to call a Central Board meet for Wednesday, August 22, to decide definitely on the initial payment for 1928. 21. There was light frost at Lestock last night. I am afraid there will be a lot of frozen wheat this year. 22. We had a special Central Board meeting in Regina all day. All members present, also Ramsay, McIvor, McIntyre, and Buchanan. It was decided to lower the initial payment to 80 cents provided nothing happened to the market before Monday. It was also decided to apply the 9,000,000 bushels wheat hedged in October and December which was earmarked for new crop to the old crop. This I think is bad policy. 23. We had a heavy frost last night more or less all over the West. It changes the whole market situation and we will have to reconsider initial payment. 29. Took Percy Reed out to see the extent of frost damage to the wheat. 30. Executive meeting all day. All but Wesson present. Heavy frost last night. I am convinced there will be more low grade wheat due to frost damage than in any previous year in the West. **September 10.** There is a tremendous amount of frozen grain. 20. Ramsay and McIvor were here all day and we had a full discussion on central matters.

An initial payment of 85 cents was made. A first interim payment of 12 cents followed on March 1 and a second interim payment of 21½ cents on July 31. The success of the pool in May, the dry season and prospects of a small high grade crop in 1929, and the intense speculative market in which large numbers of farmers were involved, contributed to high prices but the scarcity of contract grades in the crop of 1928 and difficulties in the Orient, which limited the market for low grade wheat, weakened the ability of the pool to take advantage of them.

McPhail carried out a speaking tour in Kansas early in 1929.

January 9, 1929. Arrived in Minneapolis at 7.30 and stopped there until 3.30 when I took train to Kansas City. Met Andy Cairns before I left in the station. 10. Arrived in Kansas City about 8.15 and just changed trains to Topeka, arriving there at 10.30. I spoke at the Rotary Club at lunch and to the annual meeting of the State Board of Agriculture at 3 P.M. J. F. Booth also spoke. Downie and I left Topeka at 7.30 for Selina where we arrived at 11.30. 11. We took train at 8 A.M. for Russell where we arrived

¹¹Address by A. J. McPhail, *Regina Board of Trade, March 13th, 1930.* This address was also given before the Young Men's Board of Trade in Winnipeg on April 10.

at about 12 κ. We had a good meeting there at 2.30 and drove 75 miles to Wakeoney where we had a large meeting at 8 P.M. 12. We drove 80 miles to Colby where we had a good meeting at 2 P.M. We took train at 5 P.M. for Wichita. We changed trains at Belleville at 11 P.M. 13. Arrived in Wichita at 7.15. Downie took me to an hotel where I engaged a room. Downie came down for lunch and we drove most of the afternoon. I took train at 5 P.M. for St. Louis. I think Downie is a very fine fellow and capable.

On March 29, he accepted an invitation to go to Washington to appear before the Agricultural Committee of the Senate.

April 2. Changed trains at St. Paul for Chicago. Met Connell of Minnesota Wheat Pool in St. Paul. Arrived in Chicago in the evening and changed trains for Washington at 9.50 and registered at the Willard. 4. Appeared before Senate Committee on Agriculture in the morning. J. F. Booth drove me around in the afternoon. Lovely and warm. 5. Appeared before House Committee on Agriculture¹² at 2 P.M. Had dinner with Croes of South Dakota. 6. Called on Senator McNary, Vincent Massey, and Secretary Hyde of Agriculture. I left Washington for Chicago at 3 P.M. Extremely hot.

¹²See *Farm Relief Legislation Hearings before the Committee on Agriculture and Forestry, United States Senate, Seventy-First Congress, First Session, Part 5* (Washington, 1929). In his evidence he commented on the satisfactory character of equal representation of the provinces in Central. As to selling policy, "we try to stay off the market when it is in a weak condition and try to take advantage of the market when it is strong due to a great many factors. . . . I am coming more and more to the belief that in the final analysis it is the actual amount of wheat that is available in the world from time to time that has more to do with determining the average price level of wheat the same as any other commodity." The elevator and commercial reserve deductions were used to build up the elevator system. The farmer was paid 6 per cent on the elevator deductions at the end of the contract period and a patronage dividend from elevator earnings. Membership was handicapped in part by the feeling on the part of farmers that they could do better outside and by the poverty which required full payment. At that time he claimed the pools had 1,450 country elevators and terminal storage space of 35,000,000 bushels at the head of the lakes. They held wheat as much as possible for their own elevators "just from the standpoint of getting the most revenue we can out of our warehouse; because if it passes from our own warehouse we pay out storage charges to other business interests. . . . We have adopted the policy more and more of not allowing a bushel of wheat to leave the American shores unsold." For an excellent account of pool organization see J. F. Booth, *Cooperative Marketing of Grain in Western Canada* (United States Department of Agriculture, Technical Bulletin no. 63, Jan., 1928).

APPENDIX I

EXTRACTS FROM EVIDENCE OF A. J. MCPHAIL, GIVEN BEFORE THE SELECT
STANDING COMMITTEE ON AGRICULTURE AND COLONIZATION**March 13, 1929**

The mixing is carried on between barley and rye and Durum wheat with American grain that is shipped through the port of Montreal to Europe. We know that that is illegal, and I think it is acknowledged that the practice is, at the present time, illegal. We simply want to have the law enforced in order to prohibit all mixing because we find it affects the sale of our grain—Durums, rye, and barley—in the markets of Europe. . . .

We believe that the practice of mixing as now practised at the head of the lakes has a bad effect on the quality of our wheat . . . that there should be no earnings or profits in handling wheat or any commodity through warehouse facilities other than the tariffs that are set for that purpose. . . .

We believe that the present definition of Three Northern in the Canadian Grain Act is too indefinite and vague, and we want to have a new definition that will make more clear and distinct the qualities of grain that can go into the Three Northern class—or in a word, tighten up that grade. . . .

Another suggestion . . . is that we establish another grade—another commercial grade between the new definition of Three Northern and the present standard of Six without disturbing the present standard of Six largely for the same reason as for a redefinition of number Three. . . .

At the present time wheat must contain over 17 per cent of wild oats before a farmer is settled with on the basis of the separation. If there is under 17 per cent of wild oats . . . he is settled with on the basis of screenings . . . from the standpoint of equity to the farmers, we should have a change in the regulations that would provide that when there is over 3 per cent of wild oats in wheat the farmer should be settled with on the basis of the separation just the same as if it were damp oats or barley or anything else. . . .

We also recommend an increase in the number of members of the Board of Grain Commissioners. We feel . . . that there should probably be a member of the Board in each of the provinces to look after complaints and difficulties that arise, and we believe there should be a great deal more moving around the country by them than they have ever done in the past, in order to become really acquainted with the problems of the farmers and the problems that are making the farmers uneasy, particularly in years of difficulty such as this. . . .

We have taken the attitude in Saskatchewan as we have in the three provinces that we will not move as three organizations in connection with matters that affect vitally the three organizations unless we are unanimous, and we have agreed unanimously to the proposals that I outlined here today. We consider that the suggestion in connection with raising the standard is a tremendous step forward. In my personal opinion it will eliminate mixing . . . not within the grade, but it will eliminate the adulteration of grades, the deteriorating of the quality of the wheat within the grade. I want to present a united front as far as the pools are concerned . . . we have come this far unanimously, and we have the pool officers of the three western provinces behind the proposals.

APPENDIX II

GRIEVANCES OVERCOME BY THE POOL

1. Narrowing of spreads between street and spot grain, brought about by farmer-owned organizations.
2. Curtailment of terminal elevator mixing.
3. The raising of out-turn standard grades to approximate quality of primary inspection grades.
4. The right of a shipper to designate the terminal to which he desires his grain shipped.
5. Improvement of method of handling special bin grain.
6. Enforcement of regulation of subject to Inspector's grade and dockage ticket where dispute arises between grower and purchaser.
7. Settlement to grower on separation basis of grain that can be separated at the terminal, such as oats and wheat and wheat and oats.
8. Re-classification of all grades of grain.
9. Increased efficiency of the Standard's Board and its operations.
10. General enlightenment of growers in method of grain handling.
11. More efficient method in connection with regulations governing the car order book.
12. Appointment of new Board of Grain Commissioners and sub-commissioners for provinces.
13. Oat scalpings are made a commercial grain and settled for as such.
14. Provisions have been made whereby the farmer is being paid the real market value for his screenings.
15. An automatic sampler is installed in all pool terminal elevators for the purpose of grading cars of incoming grain and also, wherever possible, for grading the outgoing cargo.
16. The final inspection on a car of grain is made on the unload sample and the shipper has the right to call for re-inspection and appeal extending over a period of thirty days.

CHAPTER VIII

THE COLLAPSE OF CENTRAL

THE conditions responsible for the large interim payment on the crop of 1928 were also responsible for an initial payment of \$1.00 on the small high grade crop of 1929. The price of wheat in August reached \$1.73. "We could not have paid any less. Our difficulty in the fall of 1929 was to withstand the pressure to increase the initial payment."¹ Again deliveries of the crop were rapid.² To the large carryover of low grade wheat of 1928 stocks of high grade wheat were added in 1929.

The problem was rendered more acute by the resignation of Mr. Ramsay as general manager on his appointment as chairman of the Board of Grain Commissioners. Difficulties with the old Board and the active role played by the pool in securing amendments in 1929 led the Government to appoint Mr. Ramsay as chairman of the new Board.

August 5, 1929. Arrived early in Ottawa and registered at the Château. Col. Biggar called early to consult re our trouble in storing wheat in Montreal. We had a long conference in afternoon with Malcolm re Board of Grain Commissioners. It is the first intimation I had that Ramsay had applied for the chairmanship. I told Malcolm and Ramsay that I was opposed to Ramsay taking it and Ramsay intimated he had changed his mind. **6.** Montreal. I left for Toronto and Ramsay for Ottawa in response to a telegram from Malcolm. **8.** All day around our office. Ramsay came in from Ottawa. Chas. Folliott was also here. Ramsay told me he had accepted the chairmanship of the Board of Grain Commissioners. It was hard to believe, for I thought it was settled on Monday with Malcolm that Ramsay would not take it. Ramsay, Folliott, and I had lunch with Gordon Leitch at the King Edward. The Ontario people had a conference today with the Ontario millers re handling agreement. **September 14.** Central Board all day. We accepted Ramsay's resignation with great regret. He has been a great asset to the organization. **October 21.** All day meeting

¹McPhail to Mrs. McNaughton, Nov. 10, 1930.

²"The fall weather being favorable the crop was harvested and threshed under ideal conditions. Due to the rise of combines and motor trucks, harvesting operations were carried on with much less labor; the harvest period was considerably shortened and the deliveries of grain were accelerated to such a degree that elevators, terminals and railroads were taxed to their utmost capacity to provide the necessary storage facilities" (*Canadian Co-operative Wheat Producers Limited, Directors' Report, 1929-30*).

of the three Boards. We had a dinner in the evening at the Royal Alexander Hotel for Ramsay at which I presented him with a watch on behalf of the Board.

September 12, 1929. Roy McIntyre must quit work on account of his heart. I consider him more than worth his salary just to advise. **13.** I was in the office all day with Ramsay, McLeod, Cairns, and Hull. Ramsay and I had a long talk with Roy McIntyre. He will remain around for perhaps two months and then go to Europe. I had a long talk with Geo. McIvor about manning the organization with the right type of men.

In staff rearrangements, J. L. Hudson was transferred from New York to Montreal, W. D. Tod to New York, L. S. Johnston at Toronto to take the place of E. G. de Grey.

Attempts to find a successor to Ramsay failed and attempts by the Alberta group to secure his return met with opposition from Saskatchewan. As a result tremendous responsibilities in Saskatchewan and in Central were placed on the shoulders of McPhail.

September 11, 1929. I spent the evening at Norman Lambert's. I asked him if he would be interested in the general managership of the pool. **October 31.** Had talk with Norman Lambert re general manager. **December 14.** Board meeting all day. There was a discussion on general manager and it was suggested that I take it. Wood was opposed on the grounds that I had too much to do already and that fitness for one job did not necessarily fit one for another. If it were not for Saskatchewan situation I would like to take the position while retaining the Presidency. **18.** All day in Winnipeg. Had long talk with McIvor about reorganization and general managership. Met members of Manitoba Board in the evening. **23.** Chris Jensen and I had lunch with Dinning and found he would not come to the pool as general manager for less than \$20,000. I think he would be an excellent man, but \$20,000 seems too much for a start for a new man. Visited Brownlee and Tony McPherson and had long talks. **January 9, 1930.** After a good deal of discussion and opposition from — we decided to offer Dinning \$20,000 a year as general manager. I got in touch with him at once and he promised to come down on Monday. **13.** We had a Board meeting in the morning and for a short time in the afternoon to meet Dinning. He finally made up his mind that, from his own standpoint, he could not take the position. I think the obstacles he sees, while they do exist, are very much over-emphasized in his mind. I am sure he would make good and be a real strength to the organization. . . . **March 1.** I had a long talk with Wood about the appointment of Ramsay as general manager. I think he now agrees that it should not be done. I am very much opposed to any such suggestion. **12.** The Board passed a resolution asking me to spend all my spare time in Winnipeg and virtually give me the duties of general manager. **May 4.** Jack Wesson came home with me and spent the day. We went to Winnipeg in the evening. Jensen, Purdy, Moffatt, and Read were all on the train. Jensen was quite worked up and even spoke of the possibility of

Alberta drawing away from the other provinces. I told him Saskatchewan would not consider supporting the return to the organization of our former general manager.

McPhail's active supervision of Central involved drains on Saskatchewan both in releasing him and other officials. "May 7. We decided to offer Findlay the position of treasurer and office manager in Central. I think we are in a fair way to getting things on a much better basis in Central. I am having meetings of McIvor, McIntyre, and Folliott all on equal footing to discuss all important matters. We must make use of and pool all the brains we have and all are better satisfied." On May 21 the Saskatchewan pool decided to give Findlay one year's leave of absence to go to Central. "May 30. I think we are getting things in better running order than they were in Central."

The pool was unable to dispose of wheat for the same reason that it paid a high interim payment and a high initial payment. "We have offered wheat at a considerable discount ($6\frac{3}{4}$ cents) under the Canadian market at different times and still have been unable to sell wheat. . . . We may as well admit that the pool as well as at least 90 per cent of the grain trade did not anticipate the conditions which developed in the closing month of 1929 and in 1930." From August to November Winnipeg prices were from 5.6 to 8.1 cents higher than Liverpool prices. The depression in England and Europe had been accompanied by increasing tariffs against wheat, by combinations in the flour milling industry, and by concentrated buying. In Canada the flour milling industry had also been characterized by large-scale organization and by control over the baking industry.³ The speculative boom on the North American continent carried wheat to high levels on the Winnipeg market and the weakness of speculative interest in Europe was unable to exercise sufficient power to break it down. The futures trading system was unable to cope with the problems which emerged from the post-war system. The pool with other large organizations lost its anchorage in the last violent phases of the prosperity period of the business cycle which reached its crisis in the fall of 1929.⁴

³*Investigation into an Alleged Combine in the Bread Baking Industry in Canada* (Ottawa, 1931).

⁴There is little hint of such phenomena as business cycles or of the problems of post-war economic development in the *Report of the Royal Grain Inquiry Commission, 1938* (Ottawa). The *Report of the Commission to Inquire into Trading*

Handicapped by lack of personnel in management, McPhail was unable to overcome the resistance which had grown up with the increasing influence of the group favourable to price control. "**September 11, 1929.** Central Board meeting. All present but Wood. We have only sold — since the May Board meeting. Europe and the U.K. can do without our wheat with a vengeance. **October 17.** Board meeting all day. We had the auditor's report from Mr. Parton in the morning and a report from Geo. McIvor as well." On **October 28** he noted:

Decline in stock market today. **29.** Very drastic decline in stock market today. **November 14.** This last decline in wheat prices is real evidence of the fact that no matter what may be world's condition wheat prices can go to almost any levels. **16.** I spent all morning at the office. Market a lot stronger today. We sold —. I rested most of the afternoon and had dinner at Steele's. Went home on the 9.10 train. **December 13.** Board meeting in Winnipeg all day. The lack of demand for Canadian wheat is most disquieting. **31.** All day in the Winnipeg office. I had lunch with Ramsay at the Hudson Bay. Had a talk with McIntyre and Folliott re selling policy. We concluded that we must from now on get on with sales. We cannot afford to let the time slip by any longer without selling. It would appear that Europe and the U.K. must buy, but if they don't they evidently do not have to. **January 10, 1930.** Board meeting all day. We are facing a very extraordinary selling situation—one that is becoming more and more difficult to deal with. There appears to be every reason to believe that our wheat is needed but still the foreigner does not buy. **11.** Board meeting all day. Mostly discussing selling policy.

THE PROPOSAL OF MR. THOMAS

The Right Hon. J. H. Thomas met the pool Board in September, 1929, and upbraided them for holding up the price of wheat. The pool replied that it would sell as much wheat as Great Britain was willing to buy at the market price or below. McPhail opposed the

in Grain Futures (Ottawa, 1931) is quoted to the effect that "in abnormal times conditions exist for working this system and, indeed, any rival systems of handling grain, on unusual lines, and no inferences drawn from the practical observation of the behaviour of prices and of markets at such times have any necessary validity as indications of the economic value of futures in normal times. It is at such times that some features of the futures systems may be most open to criticism, and it is at precisely such times that the disposition to criticize will be most exerted, but it is precisely at such times that fair tests of the *normal* working of the futures system can least satisfactorily be made" (p. 70). "People for the most part stood their ground firmly. But that ground itself was about to give way" (J. A. Schumpeter, *Business Cycles*, New York, 1939, p. 794).

sending of cargoes unsold because of the danger that they would be treated as distress sales. Mr. Thomas proposed that British coal should be exchanged for Canadian wheat. "September 3, 1929. We promised to go over to London and talk the whole matter over and put all cards on the table in the winter."

December 14. I was appointed to go to London to meet representatives of the British Government, MacLeod and McIntyre to go with me. **January 18, 1930.** Arrived in N.Y. Pennsylvania Station at 8 A.M. Had breakfast with MacLeod and his brother. I took a taxi to our office and spent half an hour there. Tod came back with me to the hotel when we went at once to the boat. We sailed sharp at 12 K. Only two appeared at our table besides ourselves—Mrs. Maynard and Countess Hamilton. **19.** A very quiet day. Mac and I attended service at 10.30 conducted by the Captain. He is a very friendly, affable kind of fellow, much more pleasant than the captains on the *Doric* or *Regina*. Read, walked, and slept. Very smooth sea. **20.** Got up late. The boat is still going very smoothly. In fact more smoothly than yesterday. We had a cabaret dinner this evening. Met Mr. Russell of Russell's News Agency—the Broomhall of America. **21-4.** Fine day. Much steadier. MacLeod, Countess Hamilton, Mrs. Goodbody, and I spent all afternoon playing shuffle board and other games. Sighted two other boats—one a German passenger boat ran parallel to ours all day. **25-6.** Quite rough today. The boat pitched quite badly. I was a little seasick. MacLeod too got a little shaky. Sat up until 1 A.M. At midnight the boat was pitching very badly.

27. Arrived at Plymouth at about 9 A.M. and left the *Ascania* on the tender. We took the 11.15 train to London, arriving at Paddington at 3.30. Met by Walter Gilling and Roy McIntyre. We registered at the Waldorf and I went to the office for a time. We were met by half a dozen reporters. Our visit seems to be arousing a good deal of attention. **28.** Spent all day at the office. We met there in the morning, Hobley of the Cooperative Wholesale Society. He lectured us as usual. But he is quite right in my opinion. A large number of reporters visited us at the office wanting information about our visit. I wish it could have been kept more quiet, as I do not think so much publicity does the pool any good. Roy McIntyre, Smith, and I had a long talk over the situation, which is not any too encouraging. MacLeod and I went to the Dominion Theatre and saw a very good musical comedy—*Golf*. **29.** I called on Sir Frederick Williams-Taylor in the morning. Had lunch and went to the office, where I spent the afternoon. The market dropped 3 cents. Rather discouraging. MacLeod, R. McIntyre, and I had dinner with Sir Thomas Allen and Henry May. They gave us a very elaborate dinner at Holborn Restaurant, a very ornate old place.

30. I got up late. Went to the office, where I spent the time until time to go and meet J. H. Thomas at the Parliament Buildings at 3 P.M. Our conference lasted about an hour. Nothing much developed but we are to have another meeting. Four other men were with him, amongst them Sir Oswald Mosely. Thomas is very able and smooth and very homely in ap-

pearance. We went back to the office and later went to Roy McIntyre's hotel for dinner.

31. Got up late. Went down to May's office to meet him and Sir Thos. Allen. Went to the office and spent most of the day there. **February 1.** Spent morning at the office. Smith, MacLeod, and I had lunch at the Waldorf with Sir Campbell Stuart of *The Times*. We went back to the office and went with Walter Gilling at 3 P.M. We called at Smith's and had tea. Spent evening at Gilling's. 2. Spent all day at Gilling's. It was supposed to be a quiet, restful time, but it was the noisiest week-end I ever spent. Two gramophones, a radio, piano, and worst of all—Molly—all going at the same time. 3. Got back to the office at 9.30. No interest in wheat at all. We had lunch at the National Liberal Club with H. J. May [secretary of the International Cooperative Alliance] and postponed the proposed conference in May until a later date. May wants pool to send fraternal delegates⁵ to their congress in Vienna in August. That is much better as a preliminary contact. Spent the afternoon at the office and the evening at the hotel. A reporter of the *Daily Herald* was in for a time.

4. I went down and called on Greenfield in the morning and went back to the office. Had talk with Sir F. Williams-Taylor over the phone. We met Williams, former Under-Secretary of the Board of Trade, and associates at two and had a very interesting talk on inter-empire trade and bulk purchasing. He is in favour of the millers forming an association for bulk buying, but against the Government doing it. He is in favour of the Government sometime putting a duty of, say, 10s. a quarter on foreign wheat and 5s. per quarter on Dominion wheat. He said it paid the U.K. to buy from the Dominions rather than from foreign countries. Favours buying committee purchasing bulk of wheat from Canada and Australia. He says there is no definite agreement for Argentina to buy certain amounts of goods and Britain to buy certain amounts of wheat. In Argentina, 20,000 miles of railways, 4,000 owned by Government, and other 16,000 by British capital. Government must buy cheapest material regardless of quality. U.K. gets biz. for most of material for the 16,000 miles. President of Argentina agreed as

⁵Mr. Andrew Cairns presented a paper on "The Canadian Wheat Pool." See *Agenda of the Thirteenth International Co-operative Congress at Vienna, 25th to 28th August, 1930* (London, 1930), pp. 155-67. "While the pool controls about half of the Canadian wheat crop and while Canada exports on the average nearly 40 per cent of the total volume of wheat which enters into international commerce, the Canadian crop after all, is only about 10 per cent of the total world wheat crop. The pool controls, therefore, only about 5 per cent of the world's wheat crop and its officials are not so foolish as to think they can exercise such control for the purpose of raising world wheat prices.

"The pool makes no attempt to get monopoly prices as it realizes it could not do so if it tried, and any attempt to do so could not but be harmful to pool members in the long run. The pool is prepared at all times to sell wheat at fair prices and has not, since its inception, deliberately checked the flow of its wheat into consumptive channels by demanding unfair prices or prices above the normal level determined by the prevailing supply and demand conditions."

result of certain powers he has to ignore law and purchase British material if U.K. agree to buy wheat. U.K. agreed simply to continue for time being. He says Argentina very uneasy of duty against their wheat. One thing certain, all classes here strongly favour buying within Empire and want to use Canadian wheat. If some other countries had the opportunity, they would certainly exploit it to utmost. Sat for a while in the gallery of the House of Commons. Winnipeg market closed up 1½ cents from yesterday. 5. Spent part of the day in the office. I spoke to a group of M.P.'s⁶ at 5 P.M. with Thomas in the chair. It lasted one hour and a half. Afterwards had conference with Thomas and secretaries. He proposes meeting with the millers, but we do not want to meet them as a group. We would agree only if Board approves to sell quantities of wheat from time to time, the price to be fixed on an average over a certain period. MacLeod and I went for a walk after dinner.

I met Lord Beaverbrook at Stornoway for about an hour and a half. He chatted pleasantly about Canada for a time. He was born near Richmond Hill, Ont. [Maple]—not New Brunswick. He is strongly in favour of free trade within the Empire and duties on all goods from foreign countries. Wants a duty on all foreign wheat and free Empire wheat. He says Canadian wheat does not compete with U.K. wheat like Argentine wheat because of its quality. He is sure his policy will eventually win out and that the farmers will support it. Finally he said if they could capture the crown colonies it would help greatly. U.K. must have new markets if she is to survive. Where has she a Manitoba or Saskatchewan or an Alberta? They must hang on to India. India imports from U.K. £80,000,000 goods. China imports just as much value in goods but only £5 to 10,000,000 from U.K. He said if they could get 3 of the crown colonies, North and South Nigeria and

⁶The Empire Parliamentary Association. See *The Working of the Canadian Wheat Pool*. In his address McPhail said: "We have no illusions regarding the power of an organization such as ours controlling as it does over 50 per cent of Canadian wheat to influence prices unduly. I think that quite impossible because, after all, whether you have a high level of prices this year or a low level of prices next year depends more than anything else on the abundance or shortage of supplies. . . . We try to avoid, as much as possible—and we talked this over fairly frankly with Mr. Thomas in Winnipeg a few months ago—taking a set, definite stubborn attitude towards the market as a result of any feeling that we know what the market is going to do, because we do not know what it is going to do, neither does anybody else. . . . I believe in some years the pool's operations have resulted in a stabilized upward level of prices . . . at certain times an organization such as the pool can have a steadying and stabilizing influence on the market by not pressing when there is no demand." He argued that it was necessary to acquire elevator facilities to prevent a large number of elevator agents of private companies building up sentiment against the pool. He described the efforts of the pool to secure amendments to the Grain Act and to secure a new Board of Grain Commissioners. Mr. Thomas made a statement in the House of Commons on April 1 which was interpreted as a criticism of the pool in Canada. When his attention was drawn to the statement he denied any implications that the pool had been holding up prices.

the Gold Coast, 3,000,000 niggers on the gold coast import more goods than 19,000,000 in one of the Nigerias! Very interesting and resourceful man.

6. Went to the office in the morning. No business. MacLeod and I had lunch with Miss Enfield at the hotel. She is Secretary of the Women's Guild of the Co-operative. Mr. Alfred Hinge came to my room for an hour. Seems a shrewd man. MacLeod, McIntyre, and I met the Prime Minister with Thomas at 5 in his office. He is an extraordinarily busy man with Naval Conference, Parliament sitting, and deputations. Thomas is a very poor kind of man. He was very gloomy and tried to appear sympathetic re the supposed serious position of the pool. It is really serious enough but I didn't tell him so. No doubt he was trying to play on our feelings and make us feel badly. We attended a dinner given by the British Empire Marketing Board. I sat between Lord Passfield and Thomas, with D. L. Smith, Mr. Amery, and Dr. Addison at the head table. I spoke briefly in response to a very friendly introduction by Lord Passfield. Thomas again, as soon as he sat down, showed me a cable he had received from Canada of an alarming nature. He is as mean as dirt. Lord Passfield is a delightful old man in his 71st year. I like Amery.

7. We took the train from Liverpool St. station for Dover and Calais and Paris. Jim McGregor came and saw us off. Fred Barnett went to Paris with us. Arrived in Paris at 5.35 and were met by Jardon and Major Cook. Registered at the hotel Chatham. Jardon says the French wheat is of very poor quality and that millers will not buy any more of it than they have to. Therefore their stock of both wheat and flour is very low. The farmers have sacrificed quality for yield. They formerly got about 17 cents [100 lbs.] per acre, whereas they now get 22. Acreage has not increased. Men prefer working in cities. He says there will be a new Government decree shortly allowing foreign wheat in. Millers are talking of a higher tariff on Argentine wheat than Manitobas because Argentina is of little use to them for blending. He says the bread is very bad and doctors advise people sometimes against using it. The Government is paying at the rate of 7s. a quarter for export wheat, a subsidy to the farmer of 21 cents per bushel. The result is that French wheat is offering in U.K. at 37s. a quarter and selling in France at 57s. a quarter. According to Lord Beaverbrook, although Argentine wheat is selling in U.K. at 43 or 44s. and Manitobas 45 to 47 and wheat in France is 57s. per quarter, bread in France is cheaper. The bakers in U.K. are coining money.

8. Went to the office in the morning. Fred Barnett and Profuma came and took us to lunch. Profuma seems very doubtful about a demand developing for Manitobas in Italy. They had a good crop in Italy but in addition they have been importing considerable quantities of wheat from Austria and Jugoslavia. It is very good wheat. He said also that he heard today that France is starting to export a large quantity of wheat to Italy. Although it is very poor quality it is so cheap that they will buy it. He says Manitobas much the best wheat, but too dear. He also stated that the policy of the pool of withdrawing from the market at certain times has had a very bad effect. Up until the last 6 or 8 months, the pool had a practical monopoly of the business in Manitobas in Italy. Now, however, due to the pool's policy,

Dreyfus, Bungay, Continental, are making efforts to get back into it again. It is one of the most foolish things the pool has ever done. We must have wheat for our customers if we are to keep them. . . . We told Profuma that he would be our only agent in Italy.

9. Got up late and went with Jardon and had lunch at the famous restaurant near Versailles. After lunch we went through and around Versailles. All very beautiful and impressive. We came back to Paris via Saint Germaine. Quite cold. Ice on the water. We discussed with Jardon his position with the pool. He says he has lost 750,000 francs this year so far and paid it out of his own pocket because of the poor business and lack of sales. We agreed to reimburse him the amount he has lost and to guarantee him so much earnings until the end of the year, August 31, as well as to pay the expenses of his organization. He seemed pleased.

10. Took a walk before lunch down through the Place de la Vendôme and on into the big park between the Arc de Triomphe. I walked down to the Louvre and enjoyed the sights. It was a lovely clear day. The Louvre was closed. I walked back to the obelisk that Napoleon took from Egypt and then up to the Church of the Madeleine. It is very beautiful inside and very old. Went back to the hotel and had lunch with Cook, Jardon, Smith, and McIntyre. We took the 3.35 train from Paris to Berlin. We had a very comfortable journey and enjoyed the countryside. The Customs came in about 12 K. but caused us no trouble.

11. Arrived in Berlin at 8.45 and were met by Hirsch of the Getreide and Bernhardt of the Superintendence Co. They took us to the Adlon Hotel. . . . Went to the Getreide office at 10.30 and spent the time there until lunch. . . . We spent the time from 3 P.M. driving, after having lunch with Shaurer, President of the company. Drove out to Potsdam at the rate of 70 miles an hour. Wonderful forests all around Berlin. Saw the Reichstag, Emperor Frederick III's castle, President Hindenberg's residence, the diplomatic quarters, the castle of William I out towards Potsdam. A wonderful site. Very beautiful. Saw two castles of Frederick the Great as well as the famous castle of William II at Potsdam. All the pomp and glory are gone. It is just a big pile of brick and stone and very lonesome like. It is only such a short time since it was the nerve centre of the great German Empire. The grounds around all these castles are all very beautiful. The setting and architecture altogether different from English castles. Harder and perhaps cruder, or sort of crudeness. We caught the train at 6.03 for Hamburg and arrived there at 9.17. It travels 70 miles an hour and does not stop between Berlin and Hamburg. We registered at the Atlantic Hotel. We took a walk around the lake. It is very beautiful at night with the lights.

12. We went with Luckow to the Rohstoff office where we met Mr. Hoppe, the senior partner. Strong impression everywhere that there is a big surplus of foodstuffs and all grains are down to pre-war prices but wheat. Sure we must keep someone reliable in close touch with the situation continually over here. If Russia is successful in raising a lot of wheat it will be very serious for other countries. Luckow is a very good man, comparatively young and energetic if we ever wanted a man of our own here. We had lunch with Hoppe, Luckow, and Seipman and went to the exchange for a short time.

Roy and I went with young Seipman to see the Zoo and afterwards he drove us down the Elbe. It was a wonderful sight just at sundown. A mixture of clearness and haze and red sky and the water shining. Many ships in view. We drove sometimes at the rate of 100 kilometres an hour. Seipman and Luckow took us to the Hansa theatre. Very good show. 13. Very comfortable and quiet here. Luckow took us to a Bavarian restaurant music hall. It was very interesting. 14. I have got up with a dull headache nearly every morning since I got on the boat. Spent the day in and around my room. Did not eat anything all day until 8 P.M. when we had dinner with Luckow. Seipman and Hoppe came between 6 and 7 P.M. to say good-bye.

15. Arrived in Rotterdam at 9.30 A.M. and was met by Messrs. Ash and Swartz, partners in Weiners, also one of the Superintendence Co. men. Went to Weiners' office until noon, when the Superintendence man took us all to lunch. After lunch we drove to the Hague and to Scheveningen. Had tea at the Hotel Wassenaer where we stopped 2½ years ago. Drove back to the home of Mr. Ash for dinner. . . . We left Rotterdam at 10.10 for the Hook of Holland and sailed at 12 midnight. The sea was very rough and I was very sick. 16. Arrived at Harwich at 6 A.M. Left for London at 7 A.M. and arrived London at 8.45. Roy and I registered at the Waldorf. . . . We took the midnight train to Manchester.

17. We arrived in Manchester and went to the Midland Hotel where we met MacLeod. Lancaster, Secretary of the Co-op. Wholesale, took us from the hotel to Balloon St., the headquarters of the C.W.S. They have palatial offices. The Secretary has a magnificently furnished office. He is a big gruff man. Strong individuality. He showed us through quite a section of their wholesale and retail premises. We had lunch with a number of the directors in the directors' room. Amongst others there was Sir Wm. Dudley whom I had met on a former visit. After lunch Lancaster and director Brooks took us out to see the margarine works and soap works. Both are very large. The margarine works employ about 1,100—75 per cent female. The processes are quite interesting. They make very elaborate provision for their employees in the way of dining rooms at all their plants and playgrounds. They feed 2,000 a day at Balloon St. alone. Their new dining rooms, one for men and one for women, at the soap works, cost about £17,000. As good as you would see in the best hotels.

We met part of their grocery committee, about 12, at 4.30 until after six. Had a very full and frank discussion of the relationship of the two organizations. They complain that we want to get the high price of the market each day, and naturally they want as near the low as possible. One member suggested taking the average price of the day as the price to be fixed and then using that average and average it over a period of weeks or months for the total bought in that period. I think some such arrangement is quite feasible. They are without [doubt] friendly to the pool and anxious to establish proper relations between the two organizations and to buy their supplies of Mani-tobas from us. We sat down to a delightful dinner at 6.30, President Wilkins in the chair. There were about 8 or 10 short speeches and a number of delightful songs, duets, and quartettes. Hobley afterwards engaged a sitting-

room at the Midland and he, May, McLeod, McIntyre, and I spent the time until train—11.30. Market broke badly today—over 4 cents.

18. Smith, MacLeod, McIntyre, and I met the representatives of the British Millers' Association with J. H. Thomas at 11 A.M. The meeting lasted only about half an hour. Thomas intimated that his arrangements for shipping coal to Canada had practically fallen through. The Nova Scotia Coal people had announced that no matter at what price British coal would be laid down in Canada, they would lay it down cheaper. I cannot understand their selfish attitude when there is imported into Canada yearly about 16,000,000 tons of American coal. The British coal would displace American.

Canada is very selfish in her supposed preferential tariff policy. She extends a certain preference on British goods in which 50 per cent of British labour has been used in the manufacture. Cotton is entirely manufactured by British labour, but it is grown in foreign countries and therefore by the decision of Canadian authorities does not come under the regulations entitling it to the special preference.

I went with Smith and MacIntyre to the office and then came back to the hotel to lunch with Sir Campbell Stuart. . . . Market a little stronger today. MacIntyre, MacLeod, and I attended a dinner at the Holborn Restaurant arranged by Sir Thomas Allen and Henry May in our honour. It was a very nice affair and everyone was very friendly. MacLeod and I spoke.

19. We left London by Waterloo station at 9.05 by the boat train for Southampton. . . . We left Southampton, I think, between 12 and 1 P.M. for France, on the *Aquitania*. 20. . . . Made 367 miles. . . . I got Ludwig's *Life of Napoleon* from the library. 25. Very smooth. We had fog all night and the boat had to slow up. Fog horn blowing continually. We travelled 500 miles up to 12 K. We got into quarantine about 3 P.M. and docked. Several newspaper men met us on the boat. We checked our trunks in bond and took the 8.35 from the Pennsylvania station to Montreal. The market was quite hectic today. . . . There was no doubt great excitement and worry. Tod was surprised to find us so cheerful.

THE CRISIS OF 1930

The crash in November was disturbing and the further difficulties during McPhail's absence precipitated a crisis.

November 14, 1929. Central Board meeting all day. Wood, Burnell, McIvor, and I met representatives of all the banks in the afternoon to discuss our financial position. The banks have been rather uneasy and have been a little troublesome. **January 17, 1930.** Called at the pool office and then visited Jackson Dodds. I had lunch with MacKenzie, General Manager of Bank of Montreal, Sir Chas. Gordon, President, Mr. Drummond, Vice-President, Beaudry Leman, President Canadian Bankers' Association, Wilson, General Manager Royal Bank, Jackson Dodds, Assistant General Manager, Mr. Clark, another Assistant General Manager, and a couple of others. Afterwards had a talk with MacKenzie and with Wilson in his own office. They all seemed to be pleased with the meeting and were very

friendly. . . . Everyone, however, is perplexed at the lack of demand for wheat. I took the 8.20 to New York.

On January 29, Mr. P. F. Bredt, Mr. Folliott, and Mr. McIvor interviewed Mr. Cork, chairman of the lending banks committee, to ask for an assurance that the banks would not ask for a liquidation of stocks if the 15 per cent margin was impaired. The carry-over was financed on borrowed money and the liquidity of reserves had disappeared through investments in elevators. McPhail indicated the dangers in a letter to Ramsay as early as November 3, 1928. "I feel more and more that we must give very serious consideration to the question of finance . . . working out some plan that will enable us to depend more on our own resources and make us more independent of outside institutions." The pool committee was advised that the banks would ask for liquidation, and this was regarded as an ultimatum. On January 31 May wheat dropped to \$1.23 and further steps were taken by the pool⁷ to strengthen the market by purchasing futures. Its officials got in touch with the provincial Governments of the Prairie Provinces and all of them assured the banks that they would guarantee the margins of their respective provincial pools. On February 1 the Central Board "agreed to continue a cautious selling policy to nurse the market and sell in reasonable quantities and gradually." **February 12.** I sent a cable [from Hamburg] to McIvor for the Board today urging to take full advantage all markets at anything around 1.25. I said there was nothing to indicate big demand for all the wheat available between now and the new crop." On February 13 the Board agreed to adhere "to the present selling policy doing the best we can for export and in a general way what we can to take care of the extraordinary situation." **February 13.** "Spent the afternoon mostly at the hotel preparing a cable and coding. I sent one strongly urging sales at this or lower levels." The difficulties of the English market, its trend toward centralization, and its increasing reliance on the Argentine compelled the Canadian pool to rely on European countries where they were met by large crops and increased tariffs. The narrower market in Winnipeg and increased funds forced that market out of line with the United Kingdom. In spite of the high initial price of the pool the discrepancy contributed to bootlegging

⁷**January 31.** Market very rotten today. . . . Evidently J. Stewart bearing the market. **February 3.** They were buying wheat in Winnipeg, Friday [Jan. 31] to prevent it going to 1.21 which was supposed to bring in stop-loss orders.

as farmers claimed that prices were higher on the street than from the pool. This in turn supported the demand for compulsory pooling. European importers were purchasing Argentine wheat, taking options on the Winnipeg markets, and disposing of them at Winnipeg prices.⁸ Under these circumstances efforts of the pool to stabilize the market by purchasing futures weakened its resources especially in the face of a declining price. Efforts to keep up the price reduced sales, increased the burden of the carryover, and necessitated reliance on the provincial Governments. McPhail describes the situation on his return from Europe.

February 26. Arrived in Montreal at 8 A.M. Met Dexter of the *Free Press*. We went to the office and I called on Wilson, General Manager of the Royal Bank. He was extremely affable. Mac and I called on Dodds and we met together in the General Manager's office, Sir Chas. Gordon, MacKenzie, Sharpe, and Dodds. They were all very friendly and did not seem to be worrying about the market. No doubt they felt that the ultimatum or supposed ultimatum to the pool had been a mistake. They took great pains to say that no ultimatum had been given and that in any event Cork could not say what the policy of the banks would be if the margin was impaired. Anyway they want to be friendly. We went to Ottawa on the 1 P.M. train and arrived there at 4 P.M. We called on Sir Wm. Clarke and at 6 P.M. called on Dunning. Had a very nice talk. He said Brownlee had suggested that the federal Government should guarantee an advance of 10 cents a bushel for a spring interim payment. He hinted that such a thing, while not probable, was a possibility if there was a comparative certainty of the pool selling at such a price as would ensure the Government against loss. We had dinner with John Stoneman. . . . Took the midnight train to Winnipeg. MacKenzie, General Manager of the Bank of Montreal, told a story of his own engagement to illustrate that McIvor might easily have been mistaken or have wrongly interpreted what Cork meant to convey. He said the tone of voice or inflection had a great deal to do with the meaning. When he was first engaged he was telling a lady cousin of it. She asked if he had a photograph. He produced one and after looking at it she said, "Why, Malcolm, I always thought you would marry a *homely* girl." When he next saw his

⁸"Ordinarily they pay the option just to cover their commitments and later when they require the cash grain they surrender the option. . . . They gave preference to Argentine cash grain so that our market was in a position of being stabilized by the influx of option business but because of our inability to work off our cash grain we did not reap the benefit of the high levels of our market over other markets of the world. . . . If we assume that the importers protected themselves in the option market and obtained their supplies from the Argentine it is reasonably certain that they not only got their cash grain at a much lower price than ours but they probably also worked off the option in our market at a good profit since our levels have been consistently higher all season," i.e., up to February, 1930.

fiancée, he told her of showing her photograph. She asked him what his cousin had said. He replied that he didn't like to tell her. She insisted and he finally replied that she said: "I always *thought* you would marry a homely girl." Market went up to 1.14 today.

27. Spent all day on the train. Very quiet and uneventful. A great deal of the snow has gone since I went east the middle of January. Market went up again today, closing at over 1.16. Very fine day. Not cold but the air is fresh and bracing. Great change to the heavy muggy air of the U.K. 28. All day on the train. Arrived in Winnipeg at 7.30 and were met by P. Bredt, J. Wesson, McIvor, Folliott, Cairns, Herbert, and Mrs. McLeod, etc. I had dinner in the St. Charles with Bredt, Wesson, McIvor, and Folliott. We afterwards went to the Royal Alex. to see Mr. Wood. He had gone to meet the C.P.R. train but we came in C.N.R. Spent a couple of hours with Wood. I afterwards spent until 1.30 with Bredt and Wesson. They were each giving their version of what had taken place during the exciting market situation. Although P.F.B. was and evidently had been under considerable excitement, I could see he had, according to my view, taken more nearly the right course. It was quite evident that my cables had been received by some at least in the manner I had expected. They felt strongly that I was in a bad atmosphere and was strongly influenced. Some of them did not realize that I am not much influenced by any atmosphere. I have never been unduly influenced by the market going either up or down. I have always said sell wheat, especially if it is going up. They were still prepared to take a stand that conditions would not justify wheat going below a certain level. If we were to do so and acted accordingly, the net result might easily be to simply load ourselves up with more wheat. March 1. Spent all day at the office. We had a full talk over policy. I feel sure there is yet a lack of appreciation of the real situation. Still too much a tendency that we can stabilize the price from going lower. 3. Attended the executive meeting all day and had some very frank talk re the market situation. There appeared to be little disposition to disagree with the views I expressed and to accept the future situation as serious. 5. Spent all day in the office. McLeod and I had lunch with Dafoe. I told Dafoe as frankly as I could the situation just as I saw it without conscious colouring one way or the other. 6. All day at the office. Had lunch with Geo. Chipman at the Carleton Club. I discussed the situation with him as I did with Dafoe. 7. All day at the office. I think McIvor and Folliott are realizing more than they did that our cables and opinions a month ago were based on actual conditions. Went home on the 9.10 and had a long talk with Geo. Barr on the train.

The Board, including McPhail, apparently weakened on this stand because of possibilities of co-operation with the United States.

March 11. Long discussion on supporting the market. Bredt, Folliott, Cairns, and myself went up to see Bracken at 7.30 re attitude of Government. 12. Another long argument re supporting the market. . . . It dropped at one time, that is, May, to 1.01 and a fraction. . . . Winnipeg May was 7 cents lower than Chicago, whereas it should be normally 3 to 4 cents over.

The Board resolved to "go on the Winnipeg market today to buy an amount of wheat not exceeding one half million bushels," "That we advise the United States Farm Loan Board we will not sell wheat at the present levels."

14. Geo. McIvor and I left Winnipeg at 9.15 on the C.N.R. for Chicago. Put in a quiet day. Market closed steady. 15. We arrived in Chicago at 11.35 A.M. and went to the International Harvester Building where we met Alexander Legge, Chairman of the U.S. Farm Board. He is a tall, slim man, clean faced. Fine type. Quite shrewd in appearance. Looks much like photos of J. D. Rockefeller. We had an hour's talk in his office and then went to the Congress Hotel where we had lunch in a private room with Legge and Kellogg. Legge wanted to come to some agreement whereby we would agree with them to merchandise somewhat an equal amount of wheat between now and July when their new crop comes on. I told him we were in a different position to the Farm Board. We were a private organization with limited funds. They have the resources of the U.S. Government behind them. We controlled only the grain of our members, a little better than half the total. They operated on behalf of all the wheat farmers of the U.S. We could not be put in the position where we could be accused of holding the bag at the end of the year through having held off the market and allowed the non-pool grain to be marketed under our umbrella. We told him we were anxious to co-operate with him in the present situation to the extent of our powers. We would at least be frank with him in what we did. He was anxious that we should carry on a campaign for decreased acreage in Canada as he is doing in the U.S. We told him that we would do so in a careful way by making as clear as possible to the farmers the present situation and its causes and the possibilities of the future. Let them be the judges of what they should do. Mr. McKendrick of the International Harvester Company took us for an hour's drive around the city. I took the 5.30 train to Toronto.

17. . . . I arrived in Ottawa at 7.45 A.M. and registered at the Château. Chas. Dunning came to the hotel and had lunch with me. We talked over the wheat situation. He takes the attitude that the provincial Governments are now guaranteeing the pool loans and that unless the price of wheat dropped so drastically as to endanger the credit of the provinces the Dominion Government would not be justified in taking any action. . . . I had a talk in the afternoon with Gardiner, and Garland and later Campbell, Carmichael, Bence, and Barr. I had dinner with Jim Malcolm. Took the midnight train to Winnipeg.

20. Spent all day in the office. Market stronger and we sold . . . in the pit. A number of pool officials are still too bullish. Left for home on the 9.10. April 4. All day in Winnipeg office. Good sales this last week. The best for 10 months. It is a weather market, however, and not at all firm.

On the 9th and 10th the Board recommended that "we continue the present policy of selling wheat on bulges both in the futures and export markets."

April 14. It rained most of the day and the market dropped about 5 cents from Saturday's close. I cannot see any grounds yet for believing that Europe is going to buy large quantities of wheat. 15. Board meeting all

day. All members present. The ground was white with snow. The market dropped to 1.07½ May. Rains in the Canadian West and Southern States. Prospects poor for selling wheat. **May 8.** . . . We all left for home in the evening. The Board took a more definite stand on sales policy than they have for a long time. They are all convinced at last that our greatest problem is to sell our wheat and have given up all idea of sticking for a certain price.

They adopted a resolution "that we continue the present policy of selling wheat as the market will absorb locally and continue to work as much as possible abroad."

July 23. I am not at all satisfied at our rate of selling, but no one, or not many, agree with me. We gave a lunch to Stirling and Gallagher of the Scottish Cooperative Wholesale Society. I had a talk with Purdy. Took the 9 P.M. train home. I told McIvor today that there would have to be a more serious interest taken in the biz. of the organization by some of the high salaried men with particular reference to —. Findlay is making real progress.

It was claimed that purchases of the pool from November, 1929, to April, 1930, eventually involved a loss of \$2,014,000.

Aggressive action was taken in the sales of coarse grains in the domestic market.

April 9, 1930. We appointed Bob Steele, coarse grains sales manager. **22 and 23.** We are in a tight place with flax, barley, and rye. **24.** Bob Steele went east this morning to look into and organize sales of coarse grains. **May 7.** Board meeting all day. We had a good report from Bob Steele. We appointed a coarse grains sales committee—Brooks Catton, Paul Bredt, and Bob McPherson. **30.** Meeting of coarse grains committee all day. Had a thorough discussion on new plans for selling policy. We all left for home in the evening. **June 9.** The Board approved of all the recommendations for the re-organization of the coarse grains market.

The guarantees on the part of the provincial Governments to the banks expired on July 31. It was impossible for the pools to deliver all their grain to Central by this date and arrangements were necessary to finance later deliveries.

July 17. All day in the office with Findlay, Milliken, and salesmen. We are having quite a time arranging with the banks and their counsel to advance money before the expiration of the Government guarantees against grain still held in provincial country elevators. We gave a luncheon to Sir Wm. Dudley and his three associates from the Cooperative Wholesale Society, Manchester, Eng. **18.** All day in Winnipeg office. Dealing mostly with the bank situation. Milliken and I took the 9 P.M. to Regina. **19.** All forenoon in the office. Part of the time with the banking committee. Also had talks with Read, Yates, and Riddell. **22.** All day in the office mostly in consulta-

tion with Findlay on Government advances and Government guarantees. Banks' counsel Ferguson is simply no good. 23. All day in the office still on Government guarantee. 24. All day in Regina office. Milliken and I met Dr. Anderson and Buckle, Minister of Agriculture, re the Government guarantee as applying to country stocks. He agreed without argument that the guarantee was intended to cover all grain delivered to the pools from the 1929 crop and signed a letter to the banks accordingly. I heard Hugh Guthrie in the evening. He made a good speech, but talked a lot of tripe about Bennett correcting wrong impressions in the Old Country re the attitude of Canadian producers in holding up prices of wheat. 29. Arrived in Winnipeg at 12 K. McIvor and Findlay had met Bracken in the morning and he refused to sign the banks' letters supplementing the Government guarantees. He phoned Brownlee and Brownlee told him that he had not yet signed although he had stated Monday that he was going to sign. They evidently agreed that they would prepare a letter satisfactory to themselves on Friday when Brownlee came down. 30. We met the banks at 11 A.M. and asked them to recommend to their head offices that the necessary money to cover grain in country elevators and in transit and carrying charges and administrative expenses be set up and placed to our credit on Thursday, July 31, before the Government guarantees would expire. They promised to do so. I got Brownlee on the phone and asked him to prepare a satisfactory letter and wire it so we would have it on Thursday. I got a wire from him at 10.30 P.M. to say that he had signed the original letter. 31. Office all day. Attended lunch to Sir H. Thornton at Manitoba Club. When I got back I found that the bank head offices refused to loan the money with or without the Premiers' letters except on security of warehouse receipts for grain in country elevators and in transit without expenses of any kind and then only up to the actual market value of the grain. This was a complete surprise as we had no intimation of any kind of the possibility of such a decision. It puts us in the position that probably on Friday we could not meet our obligations. We got busy and deposited the warehouse receipts in Calgary, Regina, and Winnipeg by midnight.

August 1. I got G. W. Robertson to have Premier Anderson come to Winnipeg last night. The three Premiers with Milliken, Paul Bredt, Geo. McIvor, and me met in Bracken's office at 10.30 A.M. The three Premiers took an excellent stand. We had a meeting with the banks in the afternoon at which the banks agreed to make a temporary loan up to \$2,000,000 until next Thursday on the guarantee of the three Premiers that the provinces would be good for the amount. Cork of the Royal Bank acted the man throughout. I went to Regina on the 9 P.M.

3. Arrived Winnipeg at 12 K. and spent most of the afternoon with Findlay. I don't know what we would have done throughout this situation without him. He has been a tower of strength. I took the 6 P.M. train to Toronto sharing a compartment with R. D. Purdy. Milliken was also on as well as Cork and Ferguson, the banks' solicitor. Jim Stewart, Fred Riddell, Hudson, and Charlie Gage were on going to Montreal. 5. Arrived in Toronto at 7.30. We met the General Managers of all the banks with the three Premiers and Cork and Ferguson, Purdy, Milliken, McIvor, and myself.

They (the banks) were obviously in the wrong and it soon developed in the meeting that they were. They called in a solicitor on Thursday, July 31, whose opinion they allowed to override the opinion and advice of their Winnipeg legal adviser. We had always counted on the banks relying on the advice of their Winnipeg counsel. We did everything they asked us to do and at the last moment they refused to carry out their part in the transactions. They have shown a complete indifference about the possibility of the pool having to close its doors. If we had had to depend on their support on Friday, we would have been through. Provisionally we got the three Premiers together on Friday and only that saved the life of the pool. In our conferences in Toronto, August 5, most of the General Managers displayed a surprising amount of ignorance of the matters under discussion and a great deal of stupidity in their ability to understand explanations. It was a wonderful exhibition of the type of men in charge of the financial affairs of the country. God help the country if these are the kind of men who carry such large responsibility. There are two outstanding exceptions amongst them. 6. We had lunch with the bankers yesterday at the York Club. McIvor and I had dinner with them at the Hunt Club. They agreed to make all the advances against the 1929 crop together with carrying charges and administrative costs on the security of a letter signed by the three Premiers. The letters were completed and signed this morning.

FINANCING THE CROP OF 1930

With the completion of arrangements for financing the 1929 crop it became necessary to plan for the 1930 crop.

July 10, 1930. Board meeting all day. Adjourned at 6.30. We decided to lower initial payment on wheat to 70 cents, barley to 25, oats 30, rye 35, and flax \$1.25. I am afraid it will be a terrible shock to the farmers. The heat during the past few days has been terrific. All went home on the evening train except Brett, Wesson, and Catton, who are stopping over for a meeting with the trade tomorrow.

August 6. We had great difficulty in getting the banks to discuss the new credit for 1930 crop. We stated our position and the necessity for quick action in view of the quickly maturing crop. They said we would have to have an audited statement of the provincial pools and Central before they would be ready to talk, which is quite impossible. They displayed the same indifference in this matter as in the other. Poor bunch, especially Toronto crowd. We all had dinner at the Old Mill, Norman Lambert as well. 7. Arrived in Ottawa this morning with the three Premiers and Geo. McIvor. I was to have met Bennett with the three Premiers at 10.30, but in view of the comment it might raise I suggested the three Premiers meet him alone. He evidently displayed a surprising knowledge of the wheat situation and a readiness to do anything in his power to assist in solving the problem. They are to meet him again tomorrow. Geo. and I met Biggar re the Montreal Harbour Commission trouble. Old Government resigned today and new Government took office. 8. Brownlee and Anderson met Bennett again this morning. He has called in the bankers for a meeting—Monday morning.

It looks from the indifference shown by many of the banks towards getting down to brass tacks re the new credit for financing the new crop, that, with the rapid ripening of the crops and the prospect of deliveries in 10 days or two weeks, we might quite easily face another crisis in a week or two. I hope Bennett's prompt action will result in a speedy solution. McIvor and I came to Montreal arriving at 6.30 and had dinner with Jackson Dodds at the Mount Royal Club. We didn't get anything more from him than his personal opinion that the matter would be cleared up without much difficulty. 9. Brownlee was to have come down this morning from Ottawa but he wired me that he had contracted a bad cold and was staying in his room. We met Dever and Allen and told them Dever was to replace Hudson in charge of the Montreal office. Jim Newsome drove McIvor and me out to St. Hubert's field to see the R. 100.

11. Brownlee, Bracken, Anderson, and I went to meet Mr. Bennett at 10 A.M. I left them and called on Robt. Weir, new Minister of Agriculture. He seems a fine fellow, and I should judge may turn out to be a capable minister. We met Bennett after he had a conference with the banks. He stated the banks said the pool had promised them an audited statement and had not come through. I told him we had promised them a statement as soon as one could be prepared, but did not state any time. He said, "Well, they think you did." I replied, "Mr. Bennett, they don't even think we did; they know we did not." He afterwards met the banks again and called us in in about 15 minutes. He said when we got into the room: "You were right, McPhail,—you promised the banks a statement in a week's time and the week is up." I replied—"that it was last Wednesday or Thursday the matter was discussed with the banks and this was Monday—how could their statement be correct, and aside from their statement, we had not even given a promise to have it ready in a week." We discussed matters all afternoon. I was strongly impressed with the feeling that Bennett was a bankers' man and distinctly not a farmers' man. He is very prone to make ill-considered dogmatic statements⁹ which he cannot back up. He had to back down on one or two today.

14. Board meeting all day. Met the banks at 2 P.M. Findlay, Purdy, and myself. They are a rum bunch with one or two exceptions. Cork almost refused to consider a coarse grains credit. Spears takes an entirely different attitude privately. He said the coarse grains simply must be looked after. The Board decided on an initial payment of 60 cents on wheat. Alberta refused to consider anything higher. 16. I spent most of the day in the office with Paul Bredt and Findlay. The banks insist as a condition of advances to the provincial pools that the provincial Governments subordinate their prior claims under the guarantees. We don't want to do that. It is tantamount to asking the three Governments to forego their security for losses that have already been established on the \$1.00 basis for possible losses that the banks will not likely sustain on the 60 per cent initial payment basis.

⁹Mr. Bennett charged the pools with following a holding policy to secure \$2.00 a bushel and that the speech of Mr. Sanford Evans at Winnipeg had not been answered.

Another indication of the Jewish attitude of the banks. I left for Regina on the 9 P.M.

20. I spent the afternoon in the office. We didn't hear anything more definite regarding our application for a credit to finance the 1930 crop. 21. Cork came over and stated that he could not say anything definite but that the credit had been approved of. There were some other matters that had to be cleared up. We spoke of the difficulty of carrying out sales from now on a 50-50 basis on old and new crop. He said we could cross that bridge when we came to it. We told him we were at the bridge now. He didn't want to talk of it. G. McIvor and I went over to see Spears. He was much more ready to discuss anything and understands the practical problems. He told us the banks were attempting to get the payment raised to 70 cents. We told him it was unlikely the pool would agree to 70. He understood our difficulties in carrying out sales on a 50-50 basis. 22. Cork and Spears came over at 12.30 and told us that they expected to have the consent of all the banks to a 70 cent payment that afternoon but outlined conditions that would make it impossible for the pool to accept their offer. We were to hedge 25 m. new crop as soon as possible and in the meantime cash sales to apply on old crop, and when 25 m. hedged, sales to apply on a 50-50 basis until all old crop sold. Another impossible condition was a 20 per cent margin in place of a 15 per cent as in the past. Wheat is now 90 cents. If the price went to 85 we would be in the hands of the banks. I left for Regina to attend a Central Board meeting Saturday morning. 23. Met Saskatchewan Board first and outlined banks' proposal for a 70 cent payment. They were all opposed to accepting it. Central Board decided to refuse the 70 cent offer and renew our application for a credit on a 60 cent basis. Several things have happened which would indicate a conspiracy in high quarters to manoeuvre the pool into a position where it would be no longer a free agent and where, in fact, it would be completely at the mercy of the banks. I do not know that the banks themselves are a part of this. We do know that a number of them are quite indifferent to say the least about the welfare of the pool.

An agreement was reached on the 26th between the Wheat Pool, the provincial Governments, and the seven lending banks that "all sales of wheat by Central are to be apportioned equally as to value between the old crops and the 1930 crop in so far as is practicable."

August 27. Had a letter from Cork outlining terms of credit on a 60 cent basis. They specify no margin. The agreement, which they prepared, to sell on a 50-50 basis is too rigid. I wrote to Cork outlining my views on these matters. 28. Had an impertinent letter from Cork to which I replied suggesting a meeting of the banks' representatives to make some effort to clear up the above matters. 29. We had a meeting with the bank representatives this morning. They could advance no arguments why they would not specify a margin in connection with the 60 cent payment when they did with the 70 cent payment and also with coarse grains. They promised to take the matter up with their head offices. They are hopelessly helpless in Winnipeg. I

went to Elfros on evening train. **September 4.** In the office all day. Brownlee called on his way from the east. Cork had notified the Winnipeg office Wednesday that the head offices had approved of a stipulated margin of 20 per cent and of some latitude in connection with sales on a 50-50 basis. Went to Winnipeg on the 7.25.

The state of the market and McPhail's insistence on an active selling policy necessitated drastic changes in the organization.

September 5. We sold . . . wheat today. Very low prices. But who knows what they will be a month hence. 11. We demoted —, or promoted —. We placed them on equal footing as joint sales managers. We cut —'s salary \$2,000, giving them \$15,000 each. We cut — \$1,000, making his \$12,000. They are all getting too much but we cannot take too drastic action all at once. \$12,000 should be a maximum salary. 12. I told — this morning of the change the Board had made with respect to his status and salary. He didn't like it, but took it as well as could be expected. It is naturally a shock. The coarse grains committee had a meeting today. We all left for home in the evening. 20. Arrived in Winnipeg at noon. Had lunch with P. Bredt, Bob Steele, and Findlay. Had talk with Roy McIntyre and suggested Geo. McIvor go with me to Ottawa to talk over offer for wheat the Department of Trade and Commerce got from the Orient. We got the same offer from Dreyfus. They are trying to put the pool out of the export business. 22. McIvor and I met Stevens and O'Hara in the morning re Oriental business.

THE IMPERIAL CONFERENCE

McPhail was persuaded to go to the Imperial Conference to participate in proposals for protected markets for wheat in Great Britain.

September 17, 1930. Board meeting all day. I got a wire from Bennett asking me to go to the Imperial Conference. The Board was unanimous in support of me going. I wired Bennett that I would let him know Friday or Saturday. Went to Winnipeg on the 11 P.M. 18. Spent the day from noon on in Winnipeg office. I had a further wire from Bennett urging me to go to London at once. I wired Bennett promising to go and wired Dr. Skelton for transportation. I returned to Regina on the 9 P.M. 19. All day in Regina getting ready for going away. I had brief talk with the Board. . . . I left for Winnipeg on the 11 P.M. 21. Spent all day on the train. Professor Swanson and John McFarland were on, also Chas. Gage. 22. Arrived in Ottawa at 8.30. Met MacLeod and Newsome. I met Dr. Skelton and got my transportation arranged. I met a number of Western M.P.'s. McIvor and I left for Montreal at 5 P.M., arriving there at 8.30.

23. Left Montreal at 9.15 and arrived in Quebec at 2 P.M. We boarded the boat at once and left about 3.30 P.M. 24, 25, 26, 27. Quite rough today. The boat pitched quite badly. Met and had quite a talk with Dr. John Reid of the Department of External Affairs, also a hair-brained man by the name

of Hawkins, representing the Grand Trunk shareholders in England. He had some scheme of paying off the indebtedness due these shareholders by buying pool wheat. I didn't feel very well all day. Attended the concert in the evening. 28. The day is a great improvement on any we have had so far. The sun is shining and the sea fairly smooth. I still don't feel like smoking. Will be glad when we arrive at Southampton although I am not sick or suffering in any way.

29. Swanson came to my room at 10 A.M. and told me the Premier wanted to meet us at 10.30. I was sound asleep. Swanson, McGibbon, McFarland, and I were with Bennett from 10.30 to 1.30. We discussed extension of the Empire Marketing Board and agreed that we should have our own organization in Canada advertising and pushing Canadian production in U.K. markets and elsewhere. On bulk purchasing I took the attitude that we should be prepared to discuss any proposal that would give any promise however remote of helping to solve our marketing problem. The others were all inclined but McGibbon to rule the question out of the discussion but I do not think Bennett will do so. On Bennett's proposal for a 10 per cent tariff preference within the Empire I approved, suggesting only that 10 per cent would probably not be enough to be effective. Bennett said 10 per cent was mentioned only as a talking point. He is very doubtful of any concrete results from this conference, but is going to make an effort to have an imperial economic conference in Ottawa next year which I think is a good idea. He thinks the Empire has reached a critical point in its career and whether or not it continues as a political entity depends on the ability of statesmen to work out some plan of tariff preferences that will result as much as possible in different parts of the Empire enjoying a market for their products in other parts.

30. We arrived at Cherbourg at 6.30 A.M. and Southampton at 2 P.M. and London nearly 5. Waterloo station. Smith met me and came to the Mayfair Hotel. I was put in a wonderful suite of rooms. Had an invitation to attend a Government dinner and reception by the Prime Minister afterwards but I could not go because of not having a full dress suit. McGibbon and I went for a long walk and had dinner together. A most lovely mild bright day. London seems quite familiar. October 1. We all attended the opening session of the Imperial Conference in the Foreign Office Building. It was an interesting occasion. Ramsay MacDonald was appointed Chairman on motion of Bennett and Scullin. MacDonald made a speech followed by Bennett, Scullin, Forbes of New Zealand, Gen. Hertzog, the Minister of External Affairs for the Irish Free State, Squires of Newfoundland, and a Maharajah of India. Swanson, McFarland, McGibbon, and I went shopping in the afternoon. I bought a morning and an evening suit. McGibbon and I went to a show in the evening.

2. We had a very short meeting with Bennett in the morning, after which McFarland, Swanson, McGibbon, and I went down to our office. I spent the day there with Smith and Cairns. 3. I attended a meeting of the main Economic Committee in the morning. They discussed the Institute of Agriculture at Rome and decided to influence it to confine its activities to statistical work. They also discussed the oil situation. The consumption of oil within the Empire is about 17 to production 3. I went down to our office in

the afternoon and went to bed early. Russia sold about 70,000 tons yesterday at 3s. a quarter under our price. I had Halstead of the Ontario Honey Producers for lunch. They got some time ago 50s. a cwt. for honey. New Zealand competition brought it down to 39s. and now Russia shipped 200 tons and offering it at 35s. Good honey. 4. Got up late. L. Johnson came to my room for an interview. I called on the Acting High Commissioner in the morning, Lucien Pacaud. Spent a couple of hours with Harry Stevens in the evening talking over the wheat situation. 5. Dave Smith called for me at 1.15 and took me home to lunch. Afterwards we drove to friends of Smith's about 35 miles out of London—farmers, where we had tea and spent about three hours. I got back to the hotel at 11 P.M. Still tired. 6. Got up at 9 A.M. Attended a meeting of the committee on Old Age Pensions at the Ministry of Health. Had lunch with Mr. McGregor, Australian Trade Commissioner in Canada. Fine man. Afterwards went down to the office where I found John McFarland, Cairns, and Smith. Mr. McGregor called with a Mr. Arnot of Australia and their wheat salesman, Tadman. 7. I called on W. A. Wilson, Mr. Collier of the *Free Press*, and Harrison Watson, Canadian Trade Commissioner, in the morning. Had lunch with Gilchrist. Went to the office after lunch and had a long talk with Smith and Cairns. Cairns just got his arrangements complete to go to Russia today. Had dinner with McGibbon, after which we went to Maskelyne's Mysteries, the best magician show in London, and perhaps anywhere.

8. Attended the main second meeting of the Imperial Conference at 10.30 and at 3 P.M. Thomas, Bennett, Scullin, Forbes, H. C. Havenga of South Africa, P. McGilligan, Irish Free State, Sir R. Squires, and Sir Geoffrey Corbett for India. Bennett made much the best speech.¹⁰ It was brief,

¹⁰He wrote to Mrs. McNaughton on **November 10, 1930**; "Naturally the conference was quite interesting. There were only two plenary sessions before I left and I was there four and a half weeks. I attended both. They were most interesting from the standpoint of setting. They took place in the reception room of the Foreign Office, a very gilded chamber indeed. Ramsay MacDonald was chairman surrounded by the ablest of his associates and all around the Dominion delegations. Bennett, I think, made the greatest impression of the Dominion Premiers although personally I am more impressed by Hertzog than by any of the others. He is a small man, quiet and self-contained in appearance. He speaks briefly and concisely in a beautiful cultured English accent without a trace of foreign accent. He is one of those kind of men who seem without effort and in a very quiet and unassuming manner to rivet attention immediately he starts speaking. In personal contact he has great charm and I understand inspires great loyalty in his associates. He is quite different to the opinion I had formed of him from newspapers. There is more distinction about him than any of the other dominion men.

"Ramsay MacDonald impresses one as being able and resourceful but looks very tired a great part of the time. It is simply delightful to hear him give an informal address as I did on two occasions. He can be quite witty and the next moment serious. There is a strong streak of sentiment and poetry in his make-up."

concise, and clear-cut, business-like. He plunged directly into his subject and talked business for 15 minutes when he sat down. I think he made a strong impression with his speech. It was interesting to watch MacDonald, Thomas, and especially Snowden. One could see that Snowden was not in agreement with the preferential proposals by his almost sardonic smile. He impresses one as a tremendously strong personality. I attended the reception at the Imperial Institute at 10.15 given by Thomas. Met the Prince of Wales and Mr. and Mrs. Thomas.

9. I called on Pooley of the British Empire Producers' organization. He was pleased with Bennett's speech. Called on Dan Johnson but he was out. Also called on Cranfield our publicity man here. I had W. A. Wilson to lunch at the Trocadero. Spent a few hours at the office with Smith and Cairns. Market just steady. It has been wonderful weather since we arrived. I intended to attend the dinner of the Federated Chambers of Commerce this evening, but didn't feel well enough. I wish I could get away somewhere for a real rest. Cairns and I are going to Manchester tonight.

10. Arrived in Manchester and spent morning with Cooperative Wholesale Society officials. Looked over their margarine works. Had lunch with Lancaster and some others. Had quite a talk with Sir Wm. Dudley and Mr. Pickup. Also had talk with Mr. Davis, head of their banking biz. He has a wonderful private office. They were all very cordial. We took the 4.15 train to Glasgow arriving there at 10 p.m.

11. Spent the morning at the Scottish Co-op. Wholesale with Mr. Stirling and Gallagher. Had lunch with them. Gallagher took us to see a great football match between the two best Scottish teams, the Rangers and the Celtics. There were about 80 to 100,000 people in attendance. It was quite impressive after the teams first came on the grounds when the whole crowd stood in silence for one minute while the band played Abide with Me in honour of the dead of the R. 101. I took Mr. and Mrs G. to dinner afterwards at the hotel. 12. Mr. Gallagher placed a car and driver at the disposal of Andy Cairns and myself for Sunday and we drove out about 80 miles from Glasgow to visit Cairns's uncle. We went through Ayr, Burns's birth-place, and saw the cottage in which he was born. It is quite old-fashioned and although narrow, is quite long with a thatched roof. We got back to Glasgow in time to take the 9.15 to London.

13. Arrived in London at 8 a.m. and had breakfast with Stevens. I later went to the office. Had lunch with Smith, Cairns, and Gilling. I met Herbert Williams at 3 p.m. and had a talk over the quota system¹¹ for wheat

¹¹In a letter to Mrs. McNaughton dated **November 10, 1930**, he wrote: "So far as results of the conference is concerned I do not think they will be great unless the trend of events change a great deal after I left. I told some of the men attending the conference that the more of the meetings I attend the more respect I have for our farmer Board members. I doubt if a stranger was listening to the discussion of our Board and the discussions of the Economic Committee of the conference that he would say the committee was more intelligent. The Canadian delegation led by R. B. Bennett of course wanted a preference and nothing but a preference in the British market for our wheat. They (the Canadians) were not

buying as worked out by the Conservative party. It seems a very reasonable and practical plan to me. Market is very weak, closed Saturday at 69 and a fraction. Is down today to a fraction over 68. Calamity prices. I see in the paper today that wheat at Winnipeg was down to 61 cents in 1902, but other commodities were relatively low too, which is not the case today. 14. Dr. Coats and John I. McFarland and I met Mr. Vigor of the Department of Agriculture in the morning. I called on Dan Johnson of the C.N.R. and then went to the office. Market very weak. Attended a lunch at the Savoy given by Bennett to the newspaper men. He made a very witty speech. I then attended a meeting of the Wheat Committee at the Board of Trade dealing with the quota system of wheat purchasing. Met Dr. Addison, Minister of Agriculture, and Mr. Graham, President of the Board of Trade. Had a very good discussion. 15. Went to the office in the morning and met Smith and Cairns. We all went to the British Empire Club in St. James's Square where Mr. Stevens gave me a luncheon to meet the representatives of the Press and a number of the Canadian Trade Commissioners. I spoke for half an hour and then answered questions for as long again. I think I got along quite well, as everyone seemed to be well pleased. Stevens was very nice and decent. I think it was a fine thing for him to do. I went

at all favourable to a quota or import Board. I took the attitude that I would not be a party to ruling out of discussion any of these alternatives which might give promise of a measure of relief. Shortly after we got over I came to the conclusion that even if the Conservative party were in power the Dominion would not get a preference on Dominion wheat which would mean a tax on food. Therefore I supported in conversation the idea of a quota as at least a starting point. As a matter of fact I don't know what any of these schemes can do to relieve the present situation or for that matter a similar condition in the future. If the British Government were to specify that 90 per cent of the British imports of wheat were to come from the Dominions it would simply mean that the additional amount of wheat which we would sell in the U.K. as a result of that stipulation would be displacing the same amount of Argentine or U.S. wheat in the U.K. which would meet us in competition in other countries where we would still have to find a market for a very large volume of wheat. So long as there is more wheat available for sale than there is money to buy I do not see how we can avoid low prices under our system. In spite of what I have just now said I cannot but think there would be some benefit from a preference or quota in the U.K. So far as import Boards are concerned they are out of the picture for the present at least. I believe the only support for the idea of import Boards is in the Labour party and I am told it is only a minority group in that party that favours the scheme. Those who do favour it appear to have little thought of such a scheme helping the Dominion. They admit such a body would have to buy in the cheapest market. The world is in a terrible condition and we in the West I am afraid are facing difficulties which just now appear very hard to solve. I understand our annual meeting starts tomorrow. I will not get there until Wednesday. I am not looking forward to it with much zest. It has been a most worrying year and the pool is indeed in bad shape. But looking back I cannot see how it could have been much different after we paid one dollar a bushel for the 1929 crop."

back to the office with Smith. We didn't get away from the Club until 3.50. Had dinner with McGibbon.

16. Went to the office in the morning and had lunch with Smith and Cairns. Attended a meeting at 3 P.M. of the Committee dealing with the quota system. Stevens took quite a prominent part in the discussion and pointed out the weaknesses in it. It really would not in any way be as valuable to us as a preference. Neither scheme would give us a higher price for our wheat, but a preference would give foreign countries a lower price for the wheat they sold in the U.K. and to that extent they would be at a disadvantage as compared to us. Had dinner with McGibbon and Gordon of the Air Department. 17. Spent morning at the office. Had lunch with Smith, Cairns, and MacGregor of Australia. We discussed the quota system and Preference Act. We agreed on a quota and preference combination being the best for us. Cairns and I spent 2 hours with Lloyd of the Empire Marketing Board. I had dinner with MacGibbon after which we spent the evening talking with Dr. Tory and Howard Ferguson, Premier of Ontario.

18. Spent an hour at the office. Had two letters from Findlay dated October 7. Their contents are certainly not encouraging regarding the extent of our losses on the 1929 crop. They may be simply colossal. Had Mooney and Cairns to lunch. Mooney is just back from Russia and has a very poor impression. Shortage of food, poor accommodation, filth, dirt, and vermin. I went to a football match with Smith and Gilling. Supposed to be 50 or 60,000 people there. The best football I ever saw. 20. Went to the office in the morning and attended the committee meeting on the quota system from 3 to 5.30. Quite a lengthy discussion on its merits. Graham, President of the Board of Trade, intimated that the Dominions should consider what they were willing to give in return for the advantages of an increased market for wheat resulting from a specified quota. That they should examine their tariffs and see what they would be prepared to do by way of increasing purchases of British goods. The Dominion representatives did not like it, but it is the logical result of Bennett increasing the tariff before coming over, and his statements that he was prepared to bargain. Heard a man named Evans, about 58 or 60, singing on the street to the accompaniment of a violin. He was wonderful. He was an old Grand Opera singer.

21. Went to the office in the morning. Had cable from Geo. Robertson telling of the good deliveries in Saskatchewan to the pool. I attended the meeting of the Economic Committee from 11 to 1 and from 3 to 4 when we left to attend the opening of Ontario House. Ferguson, Ramsay MacDonald, and Thomas spoke. The committee talked of import bids and bulk purchasing and quota and how any of these methods could be applied to products other than wheat from the Dominions. The U.K. Government does not seem prepared for import Boards or at this moment to apply any of these methods to anything but wheat. 22. Went to the office in the morning and had lunch with Herbert Williams, Joseph Ball, head of the Research Department of the Conservative party, and a Mr. Booke. Discussed quota and tariffs. They are strong for the quota as a means of avoiding duties on food-stuffs. I attended a meeting of the Economic Committee from 2.30 to 4.45. Discussed the Empire Marketing Board all afternoon. Attended a meeting

of the Motor Transport Committee from 5 to 6.30, and got some interesting information re costs of motor cars and the apparent impossibility of the U.K. manufacturers competing with American Ford and Chevrolet as to price with their type of car. McGibbon and I went to see *The Second Mrs. Fraser*. It was very good.

23. Went to the office in the morning and then to the Victoria Hotel to a luncheon given in honour of Harry Stevens by the Canadian Chamber of Commerce. Stevens gave a very good speech. I went back to the office for awhile. The market is quite weak. Russia has shipped this week, 750,000 quarters or about 6,000,000 bushels, the largest amount they have shipped any week so far this year. Most of the delegation went to a dinner at the Inner Temple this evening but I do not go to any more than I have to. Such functions are an abomination. Spent the evening with Dr. Riddell of the League of Nations. He thinks there is a danger of Eastern European countries taking action to protect their wheat farmers from the competition of wheat from ex. countries on the theory that wheat cannot be produced as cheaply in Europe as in Canada, Australia, and the Argentine.

24. Office in the morning. Gilling drove back to the hotel. Walked down to Board of Trade meeting at 2.30 with MacGibbon. Had a long discussion in the committee on the wording of the report. Dominion representatives did not agree with U.K. representatives. Went to see pictures of Russian power farming at 5 P.M. put on by the Empire Marketing Board.

25. Went to the office in the morning. Market weak and feeling bearish even at these poverty prices. Had lunch with Luke of the London *Times* at the British Empire Club. He says King would have got a great reception here, and that the Bennett tariff is very discouraging to the U.K. Says British industrialists must co-operate with Canadian manufacturers and associate themselves financially in Canadian concerns. 27. Walked down Regent St. in the morning looking for something to take home, but gave it up and went to the office. Had lunch with Dr. Addison in his office. It is a very cozy place. He is in favour of an import Board but favours a quota as a start in view of the opposition of the Dominions to import Boards and bulk purchase schemes. Did some shopping in Robinson and Cleaver's.

28. Went to Manchester on the 8.30, arriving there at 12.40 and leaving Manchester at 4.10 and London at 8.30. Met Lancaster and his assistant. Had talk with Davis, their bank manager. He said the interest they would charge would be $5\frac{1}{2}$ or 6 per cent with a remittance charge of $\frac{1}{4}$ to $\frac{1}{2}$ per cent additional. He did not know what amounts the C.W.S. would be willing to lend—that would depend on their finance committee when we approached them. MacGibbon, C. O. Smith, and I spent the evening talking in the rotunda of the Mayfair.

29. Spent morning in the hotel writing, etc. Had lunch¹² at 10 Downing

¹²His impressions were written to Mrs. McNaughton: "We had a great many social functions, dinners, receptions, etc. I had an invitation awaiting me when I arrived to a dinner the same evening given by the British Government and a reception by the Prime Minister afterwards at Lancaster House. I couldn't go because I had no proper clothes. I, as well as many others of the delegation, had

St.—12 or 14 others were there. Amongst them Mr. and Mrs. Graham, Mr. and Mrs. Ferguson, Smith, head of the C.N.R. here. It was very nice and simple and informal. Miss MacDonald is a very nice, simple, unassuming girl. Rather inclined to be shy. Altogether it was most interesting. Although the outward appearance of 10 Downing is old and dingy and unattractive, the inside is spacious and quite in keeping with the home of the Prime Minister. MacGibbon and I went together to Buckingham Palace at 4. It was really a very pleasant and interesting function and most informal. The King and Queen and the old Duke of Connaught stood in line and shook hands with everyone. The King looked well and has a most likeable and interesting face. He seems really interested in everyone with whom he shakes hands. The Queen too looks most charming. The Duke is getting to look quite old. The reception hall is most magnificent, as are also the surrounding rooms which we saw. The Palace is an immense place. The Prince of Wales is very nice-looking and seems self-conscious and shy. Saw many notable persons. Met and chatted with Rudyard Kipling. He is quite vivacious. Had dinner with Napier Moore and spent evening reading.

30. Morning at the Economic Committee. Met Alexander—first Lord of the Admiralty—after lunch. He impresses one as able and very decent and approachable. He took me into the gallery. I heard Maxton, the Socialist leader. He looks the part—rather unkempt in dress; dark, lean, hawk-like face; long raven-black hair—straight, hanging down over his ears. He made what I thought was a powerful address. The house filled up after he started. Had Alex Jackson in to dinner and went afterwards with D. L. and Mrs. Smith and Jardon to the Coliseum. 31. Called on Sir F. Williams-Taylor, but he was not in. I met Long of the Royal Trust. Spent an hour at the office. Had lunch with C. O. Smith and took him to the House of Commons and got him in through Sir Howard D'Egville. I attended the Economic Committee meeting but left at 4.45 to meet Bennett, but did not see him until 12 κ. C.P.R. Armstrong had dinner with me. He is a terrible man to talk and I am sure came over to pump me. Had a long talk with Bennett. He told me he is going to agree to the quota as a step forward.

to go shopping next day. As a result I have enough clothes of a certain kind to do me the rest of my life time, probably more. I have been telling some of them that I am going to attend a Board meeting in my reception clothes. It seems to me a pity and more than a pity that men who have real burdens to carry that would kill the average man in a few weeks should have to be attending social functions several nights a week. What a drain on their time and vitality. I turned down most of the invitations only going enough to see the show and how they were conducted. I had lunch a day or two before I left with the Prime Minister and Miss MacDonald at 10 Downing Street. I appreciated that more than any of the other functions. I also attended the afternoon party at Buckingham Palace. I can understand how so many people defend the monarchy. The gathering was so very informal and friendly. The King and Queen shook hands with everyone and appeared to be really friendly. They are wonderfully well trained. One thing I like about Hertzog, he won't go to these social affairs. He went to a very few but he doesn't like them and will not allow them to interfere with his work and rest."

November 1. Fred Barnett drove me to Southampton. Dave Smith accompanied us. We left Southampton about 1.30. 2. A very stormy day. I think the sea was the roughest I have ever seen it. Mountains and valleys of water. We were not much more than holding our own all day. I put in a quiet day reading and walking. Met John Nelson for a short time on the promenade deck. Was not in the least sick. 3, 4, 5. The sea was quite smooth all day. One could forget one was on a boat at all. It is a wonderful sea-going boat, the *Aquitania*. Even on Sunday and Tuesday it was not nearly so rough as it would have been on any other boat I have been on even in less rough seas. We had boxing at 3 P.M. and a talkie at 4.30. 8. Got into port at 10.30. Tod and Salmanowitz met me. Had lunch with them at the Produce Exchange. Went to a football match at the Yankee stadium. 75,000 there. Had dinner with Salmanowitz and Tod in the Grand Central Station and left for Toronto at 6.30.

LOSS OF CONTROL

The weakness of the market which McPhail described in his diary during the Imperial Conference created acute problems to be faced on his return. The 60 cent initial price approved on August 26 was lowered to 55 cents on October 15 and to 50 cents on November 11.

November 11. Spent the day in the office. Paul Bredt was in. Paul, Findlay, and I met the bankers from 4.30 to 6.15. The market dropped badly today and endangered our 15 per cent margin with the banks. They asked us what we were going to do if the market dropped further. We told them we had done all we could. All our resources were tied up and behind the bank loans and if the banks would not advance any further money they would have the pools on their hands. They did not intimate what they would do. I went to Regina on the 9.45 train. McIvor, Folliott, Steele, and MacLeod all went as well. 13. Got into Winnipeg at 12 K. and went to Bracken's office to a meeting with Bracken, Brownlee, and Anderson. They met bankers in afternoon. I had Brownlee to dinner and spent the evening in his room at the Fort Garry. Brownlee, Bracken, and Anderson are standing up to this situation like men. Their attitude is as fine as the most radical farmer could wish. 14. Market fell today. We were two hours late in getting a cheque for \$211,000 over to the clearing house as result of the reluctance of the banks to advance the money. As a result of the delay and the fear it inspired of our position, Frank Fowler notified us he would make a call Saturday morning for another 5 cents a bushel on 7,000,000 long. Premiers¹⁸ met banks in afternoon and again at 9 P.M. Everything is tottering. Bredt,

¹⁸The Premiers insisted that the long should be decreased but the pool later insisted on the right to accumulate options so long as they were required in the normal course of business by the sale of cash grain and so long as Mr. McFarland insisted on its sale. The banks consequently modified their position and agreed to the sale of cash wherever possible even at the expense of carrying options.

Findlay, and I were called over near midnight and were in meeting until 1.30 with banks and Premiers. Banks agreed to keep the long position margined until Monday morning, the 17th, on the Premiers signing a document that they would protect the banks against loss on the amounts put up. I also had to sign the same document agreeing to appoint a general manager suitable to the banks. Spears is much the best man. Cork, very miserable. All intent only, as can be expected, on saving the banks. 15. All day at the office. We had quite a time getting a cheque for \$300,000 to put up in the clearing house. The banks last night agreed to put up margins until Monday. Spears told me this morning that the Royal Bank had backed out of putting up their share, and the Commerce and Montreal put it up. We met the banks at 12. They had word from Toronto not to put up any more margins and we had to have \$200,000 more up at 1.15. They finally agreed to stand by their agreement¹⁴ of last night. Otherwise the pool would be bust. The three Premiers and myself decided to go to Toronto on the evening train. I never went on a trip so reluctantly. I was tired to death.

16. Spent all day on the train. All evening with Brownlee, Bracken, and Alley of the Bank of Commerce. I put it up to Alley that, even if the Dominion Government refused to do anything to help in this crisis and even if the price of wheat remained low and when all the wheat was sold, there was a loss to banks, they (the banks) would gain nothing by closing down the pools. I told him mills were not concerned from whom they bought their wheat so long as they could buy it at a price that would compare fairly with the price of wheat from other countries and fair as compared with prices other millers their competitors were paying. He seemed to agree, but after all he has little say in matters of this kind. General managers and Boards deal with matters of such importance. 17. Spent day in Toronto. The three Premiers met the General Managers of all the banks. I wanted to meet them and held myself in readiness, but they know now that the pool can do nothing more to protect itself as all its financial resources are in the pot. Only the provincial Government or the federal Government or both can help the banks. The meeting was not satisfactory. They were evidently greatly excited and only agreed to carry on for a day or two until Bennett could be reached. They had a meeting with the federal Government on Sunday, but evidently did not accomplish much. The Premiers and myself went to Ottawa on the midnight. Spent a good part of the day in our office with Johnston and Newsome. Had dinner with Norman Lambert and Woodsworth.

18. All day in Ottawa. Met Dr. McGibbon. Premiers had meeting with Sir Geo. Perley and Mr. Ryckman, both morning and evening. Meeting unsatisfactory. Evidently they listened very courteously but they really do not understand the situation. From what the Premiers told me it is evident Ryckman heard a lot of criticism of the pool on his trip west. I would expect so from the kind of men he would likely meet mostly. The kind he

¹⁴In the agreement of August 26 all sales were to be apportioned equally as to value between the 1929 and the 1930 crops. On November 8 allocation of sales was 25 per cent old crop and 75 per cent new crop and on November 15 all sales for one month were allocated to the 1930 crop.

would mostly meet would be what they call the substantial class who have no particular understanding of or sympathy with the farmer except what they can get out of him. A movement like the pool is quite a dangerous innovation and they don't know what it will lead to. They did, however, say that they told the banks on Saturday that if there was any loss, the Government would share it dollar for dollar up to \$10,000,000. They would not do any more intimating—that when Bennett got back he might go further. The banks do not consider this is of much value to them. This offer of the Dominion Government would be contingent on the banks allowing the pool to continue.

19. Brownlee, Bracken, and I left Ottawa for Montreal, arriving about noon. We had lunch at the Bank of Montreal with Dodds, Bog, Sir Chas. Gordon, and one or two others. We had a short meeting with Dodds, Bog, and Wilson of the Royal. Beatty of the C.P.R. had called up Bennett last night and put the situation up to him strong. Bennett is to call him back at 9 A.M. Thursday. Banks seem to feel if Bennett does not do anything to ensure them against loss they will close out the pool and take over the wheat. They express opinion that if pool out of the way the market uncertainty will be relieved and prejudice in U.K. evaporate. I told them the best way to get out of the wheat to best advantage was to disturb things as little as possible. The banks want to sell the wheat for best price. The best way to do it is to let the pool carry on. Put in someone in whom they have confidence by all means—J. I. McFarland¹⁵ preferably. If the pool carries on, I said, and there is a loss, the banks have much better chance of recovering loss if pool is held together. If they close out the pool and the wheat is sold without loss, farmers and everyone will want to know why the banks closed the pool. It is quite evident the banks are getting plenty of advice from grain interests and as they are much closer to grain trade and their interests of greater common interest and as practically all the banks have a grain man on their Boards, our advice or attitude is of secondary importance in their eyes. Wilson or Dodds said they had a number of grain firms already offering their services to sell the pool wheat. The vultures are gathering. I told them there was no mysterious manner by which the wheat could be sold and there would not be a demand for one bushel more or one bushel less whether the pool was in business or not. Brownlee, Bracken, and Pearson, Deputy Treasurer of Manitoba, and I went to a show to forget our troubles.

20. . . . sales yesterday on a strong market. Today at noon another . . . sales. Market close $1\frac{1}{2}$ up from Wednesday close. Word this morning that Beatty was again talking to Bennett who seems more inclined to do something than before. Bennett is to call up Sir Geo. Perley today and Beatty is to see Perley in Ottawa at 3 P.M. The bankers are more hopeful at noon today whatever the result turns out to be. The Premiers, Pearson, and I had lunch with Wilson of the Royal Bank. We did not get any word of Beatty's interview with banks until 6 P.M. when Dodds called Brownlee and said the net result of Bennett's proposal was to loan the banks money through the provincial Governments to protect the banks against loss. Beatty said

¹⁵His name had been discussed by the pool Board as early as April, 1930.

it was a foolish suggestion, that the provincial Governments had done all they could or should do and that this present situation was of such national importance as to warrant the intervention of the Federal Government. The Government reiterated their former offer to share in any loss dollar for dollar up to \$10,000,000 that the banks might sustain. Bennett is evidently much opposed himself to assuming any financial responsibility, yet without hesitation he puts into effect fiscal legislation that means many millions assistance to manufacturers and resulting therefrom additional cost to the farmer. He voted as well \$20,000,000 for unemployment and yet when it comes to the most important industry in the country he simply stands aside and refuses to raise his finger to avoid disaster. Brownlee and Bracken went to N.Y. this evening. They prepared a statement for publication. I advised against publishing it. Brownlee agreed but Bracken wanted to publish. It was decided not to publish.

THE APPOINTMENT OF McFARLAND

November 21. I got up at 6 A.M. and met John I. MacFarland on his arrival from Quebec where he landed last night from the *Duchess of Bedford*. We had a long talk. I told him the situation quite frankly and asked him to become general manager of the Central Selling Agency. He was naturally surprised but I think will consider it if he concludes he can do any good. He knows, of course, that he cannot do anything that is not now being done. I told him, however, that everyone had confidence in him and that alone would be of inestimable value. He is a man of experience in the grain trade as well as being a man of integrity and character. I talked to Jackson Dodds over the phone and asked him if he had the selection of a general manager for the pool, which would he select Brownlee or McFarland. He at once replied McFarland. He said everyone would want a grain man. It is gall and wormwood to have to do as you are told by a bunch of bankers who are quite ignorant of the biz. Met Dr. Swanson and spent the evening with him and went to Toronto on the 11 P.M. train. **22.** Spent day in Toronto and at pool office. Had talk with Alley. He thought if McFarland was appointed and we carried out terms of agreement at Winnipeg, things might work out. The bankers are not particularly interested in anything pool officials have to say. They are only interested just now in anything that will help to get the federal Government to protect them against loss. Hence the reason they are so set on McFarland becoming general manager. They know he is one of, if not the most intimate friend of, Bennett's and that if he can be got into the pool it will probably do more than anything else to get the Dominion Government to do something. Met Fry and a large number of Saskatchewan people who are down to the Royal Fair, amongst them Buckle, Minister of Agriculture.

23. Norman Lambert and I went to church and heard a fine preacher by name of Russell. John McFarland called me up. He had come in from Montreal this morning. I had a talk with him re general manager. He had nothing new to report from Montreal or Ottawa. He told me if he came in he would close the London office and bring Smith back to Winnipeg. He said Smith was the best man we had . . . I told him I would oppose closing

the London office. He said we had to get more friendly with the grain trade and eliminate antagonisms. I completely disagreed. I said closing the London office would not make a demand for one more bushel of wheat or one less for that matter. I said if we had to submit to such action because of our financial position at this time it would only be temporary and until we were out of our financial difficulties if we ever were. I told him that as a result of him being unanimously approved by the banks and Premiers we were largely under his control for the time being. 24. Spent all day in Toronto mostly at pool office. Met quite a number of people. Had long talk with John McFarland. I told him he was the last man in the world that I thought would set himself up as a dictator. He said he didn't set himself up as one but wanted a free hand at least as far as the London office. I put up the case as strongly as I could. He has no real argument as no one else has why the London office should be closed. He is simply a grain man and at heart his sympathies are with the grain trade. I left Toronto for Winnipeg at 9.30.

26. Arrived in Winnipeg at 8.45. Paul Bredt met me at the station. We had a Board meeting all day. I reported on my trip and conversations with McFarland. To my surprise the Alberta men were willing and glad to swallow McFarland on any terms. All they, or to be more fair, what they are mostly concerned with, is to be relieved of any responsibility. We had a long discussion and finally agreed to offer the position of general manager to McFarland. The Board felt that if he would agree to come in and look around before he made up his mind definitely on any changes, that after talking matters over we would agree to abide by his final decision. They felt, and I suggested that we were not our own masters just now,—that we could not have everything our own way and would have to put up with some dictation for a time. Even if we had to recede from some of our positions, if the stand we had taken in selling direct was right, we could soon revert to our former policy when we were again our own masters. We might be wise from the standpoint of the movement and the life of the pool to swallow some of our personal feelings just now. Alberta were anxious for me to go to their annual meeting. I promised to do so and took the evening train to Regina in order to be home for a day, intending to take the 4 A.M. train to Calgary Friday morning. 27. Spent the day at home and at the office. Moffatt and G. W. R. were quite disturbed at McFarland's conditions, but could not suggest what to do as an alternative. I told them McFarland's coming in was the best hope I could see for the continued life of the organization. The banks, both the provincial and federal Government were behind him, no doubt partly because of his closeness to Bennett. If we don't accept him, the pool, in all probability, will have to close its doors. It may, anyway, but there is a chance with McFarland. . . . I got a wire from McFarland that he is going to stop off in Winnipeg tomorrow to see the Board so I have to go back tonight.

28. Board meeting most of the day. McFarland met the Board before lunch. He is quite adamant on closing our foreign offices, but agreed to say nothing about it today in his newspaper interview. He agreed to come in and talk things over first. Such agreement really means nothing for he no doubt intends to run things or not remain. It is a hard pill to swallow and perhaps

some of us will not swallow it even for the good of the organization. The banks and all the big interests in Canada are without doubt arrayed against, and they are going, through this pleasant man, to push us back to be an organization that will be as harmless as possible to the trade generally. It may be the best thing to take the attitude just now that the most important thing to do now is to get this wheat sold anyway even if it is all sold through the exchange. I left Winnipeg for Regina on the 9.45.

29. Got home in the morning. All forenoon in the office. We are in danger of being smashed by the banks from the provincial end. They refuse to advance 60 cents a bushel to the provinces on wheat on which the province has advanced 60 cents to the grower. They will only advance 50 cents and let the provinces carry the other 10 cents. They are trying and succeeding in sucking the provincial pools dry. McFarland told me in Toronto that the banks wanted the London office closed. They (the banks) will try to hide their hand in matters of this kind. I do not know what we will do if the banks do not change their attitude in taking delivery and advance to Central the amount per bushel which has been paid the farmer. **December 1.** Had long talk with Brownlee. He is talking of having the Alberta pool sell their own wheat unless the banks agree to pay 60 cents per bushel for wheat that the provincial pools have advanced 60 cents against. 2. All day until 7.05 on the train. Had long talk with McFarland and McIvor. McFarland seems to feel quite confident of getting the banks to accept and pay 60 cents on the wheat which the provincial pools are wanting to deliver. I doubt if he will be as successful as he thinks. He is opposed to lowering the initial payment from 50 cents at least until Bennett gets back. He believes that Bennett will do something to relieve the situation. I hope he is right. I went to the office after supper to hear the delegates' election returns. Brouillette, Moffatt, Wesson, Catton, Wilson, Robertson, Evans, Andy Macauley, Mrs. Pearl Johnson, and a number of others were there. I was elected delegate over Wolitski by 274 to 64 votes. The support of my neighbours is very encouraging at this time.

4. All day at the office. Paul Bredt phoned wanting me to go to Winnipeg to have a talk with McFarland. Evidently he had a talk with him and gathered from the conversation that McFarland had rather far-reaching changes in mind. I told him I would not go to Winnipeg tonight if the earth cracked if I didn't go. I am going to rest for a day or two. I consider McFarland's determination to make drastic changes, the rank impertinence of a complete outsider who can for the time being force his personal opinion on an organization controlled up until now by 140,000 farmers. The enemies of the pool are in the saddle inside the pool now in the *pleasant* personality of McFarland. 7. I had intended going to Winnipeg at 11 P.M. but was really too tired.

8. All day at the office. McFarland wired me a statement he wanted me to sign announcing the closing of the London office. I replied refusing to do so because I did not agree with the move, not only that, I am profoundly convinced it is a wrong move. We are simply compelled just now because of being at the mercy of the banks to submit to this. It is exactly what will give our enemies, the grain trade, great satisfaction. It is without doubt a

big step backward, and will meet with the approval of every reactionary element in the country. Another reason I would not sign the statement is that, when I make a public statement on any question, it will be my own and not one prepared for me by the general manager or anyone else. 11. Arrived in Winnipeg at 11.40. Had long talk with McFarland in the afternoon. I told him he was the most unreasonable man for a reasonable man I had ever met. Although he appears likeable, and is likeable, and pliable, he is as hard as steel. He does not know it, but he is doing exactly the same as any rabid grain trade man would do if he got control of the pool machinery. He is out, and I think, doesn't know it, to throttle the pool. Most amazing of all his decisions is not to sell to a foreign miller even if the miller makes an offer direct to the pool office. Then any offers we make to brokers overseas must be at a price that will allow for a fair export profit. In other words we must live and let live and recognize that what McFarland calls the legitimate channels of trade must be used and every bushel of our wheat must pay its tribute to the middleman. If we do not agree to this, we go out of business. If we do agree without explaining our position to the country we will probably lose the support of our members. McFarland left for Chicago on the 5.45 to meet Milner of the U.S. Stabilization Corporation and Arthur Cutten. McFarland said he was not going to make any other changes. He was not going to reduce staff or take any responsibility for staff or administration.

12. Board meeting all day. Most of day taken up with discussion of changes and position with McFarland. The Alberta men are the only ones who are not disturbed and are quite determined to let McFarland do what he likes. They want him to have all the responsibility and therefore all the blame or credit for anything that he does. 13. Board meeting all day. Most of the Board members were ready to quit if McFarland made any more changes. Wood, however, is quite unperturbed and pointed out that any changes would be of a temporary nature if we pulled through and got on our feet again. We discussed advisability of discontinuing Board meetings in view of the fact we have no authority as long as McFarland is here. The Board decided to meet as usual for the time being. 18, 19, 20. Board meeting all day. Adjourned until next month if ever. Although the General Manager of Central was in Ottawa the first days of the week conferring with Bennett and the Government on the wheat situation, we have no idea what is taking place. The market continues on the downward and if the Government does not do anything we are done as an organization, yet the man who is acting general manager goes his own road, consults everyone but those he should consult. Our natural enemies probably know more about what is in McFarland's mind than we do.

January 2, 1931. First had a long talk with Cairns on his Russian trip. Then with MacLeod and Woodsworth. Had lunch with these two and Burnell. Later had talk with Findlay and then McFarland.¹⁶ I didn't get

¹⁶Mr. McFarland sent McPhail a telegram on **December 24, 1930**: "Please accept from me my sincere wishes that you will forget pool troubles during this festive season and permit me again to repeat that while our methods may differ

any satisfaction out of talking with McFarland. He has no understanding of the farmers' viewpoint whatever, or any idea other than to perpetuate old methods of doing business. It will be a relief indeed when, if ever, we are in a position to let him go. Took the 9.45 train to Regina. 6. Spent all day in the Winnipeg office waiting for a call from Bennett or the Premiers which never came. Very peculiar position in which to find oneself—the fate of the pool being discussed and I am not consulted. I had a long talk with Brownlee in the evening. He told me the Premiers did not learn anything more definite from Bennett than they already knew. He agreed that Bennett must have guaranteed the banks against loss with respect to advances on this year's crop. How much further the Dominion Government will go, he doesn't know. He said they had pressed Bennett to have the federal Government assume part of the 1929 losses and to write off any losses there might be this year. Brownlee believes Bennett is personally inclined to do so but does not want to give any promise or any more assurances than is absolutely necessary in order to keep things going until he meets his own supporters in Parliament. He evidently wants to consult and carry his supporters with him rather than to make decisions and get their consent afterwards. Anderson evidently did not raise the question of the \$1,700,000.00 advance made by the Saskatchewan pool to Central two months ago for the purpose of keeping Central going. I called on him twice last week in order to impress on him the importance of this matter to the provincial Government. It is very difficult, however, to get him to settle his mind on a mere business matter. It seems hopeless to do so. He is thinking of other things. McPherson would grasp the significance of this particular matter at once but not Anderson.

7. Spent the day in the office. Had talk with McFarland in the morning. Called and had a long talk with D. McGibbon. He said he told McFarland that closing the London and Paris offices *might* be all right as a temporary measure but that it was out of line with modern economic development.¹⁷ Paul Bredt and I had lunch at Findlay's. I came home to Regina. 10. Had McFarland for an hour. Didn't get much information but everyone was pleasant which is all one can expect under the circumstances. 21. Geo. Robertson, Bill Urton, and I met Robt. Weir at 2 P.M. and discussed the financial position of the Saskatchewan pool with respect to the \$1,700,000 advanced to Central and carrying charges and administrative charges. Also the question of Government control of the Grain Exchange, West and Eastern domestic freight rates on grain, and the pool policy of sales of coarse grains to eastern farmers. He seemed quite friendly and very alert.

26. Spent the afternoon in the office. Had talk with McFarland. He is hoping for higher prices without any reason to hope but the fact that prices are so absurdly low. He has no idea whatever of conditions on the farms of the country, nor has he any fault to find with our economic system. He impresses me as a naturally bright man, but quite ignorant outside of his field as a grain trader and speculator. 27. Again had long talk with Mc-

yet our objects are identical and are for the best interest of the farmers of our Western Provinces."

¹⁷See D. A. MacGibbon, *The Canadian Grain Trade* (Toronto, 1932), p. 354.

Farland. Cutten came to Winnipeg today and McFarland met him. He is quite enthused over Cutten buying a seat on the exchange. He thinks Cutten will do something *constructive*. I don't think Cutten ever did anything but speculate besides being a book-keeper in his younger days. A Rip Van Winkle outlook indeed.

28. Again all day in the office. Met G. H. Barr and had a long talk with him re the Chamber of Commerce annual meeting to be held in Regina in September. I do not look to such an organization for any understanding of Western problems, especially those of agriculture. Had long talk with McFarland. He said he did not know anything about the arrangements made between the federal Government and the lending banks re advances to the pool on the 1930 crop. I told him if he knew nothing, the federal Government could not charge any loss there might be against the pool when the pool was not a party to, or had no knowledge of, any guarantee which the Dominion Government had given to the banks against loss with respect to the 1930-1 pool advances. Again he (J. I. McF.) and Mr. Bennett had both strongly advised the pool against lowering the initial payment below 50 cents, the only way the pool had of protecting itself. 29. Had long talk with McFarland. He told me again that he had authority from Bennett to keep the market from going to lower than 50 cents a bushel. I asked him if his responsibility to keep the price of wheat from going below 50 cents a bushel had any influence on his present policy of not selling or selling very little.¹⁸ He said no. Even if someone else was charged with the responsibility of maintaining prices he would not sell at these levels in any larger quantities than he is now doing. He said, "I am not going to sell at these levels. If the Government or the banks or the pool want any more wheat sold now at these prices they can put in someone else. I won't do it." He said it was up to the provincial Governments to see that the advances from the Saskatchewan and Manitoba pools to Central this year are returned. It is these Governments that are most vitally concerned. He asked me if I had any criticism to make of his selling policy or if I thought he was doing the best he could. I said I had no doubt he was doing the best he could, but that if I was selling the wheat I would be selling more now than was being sold in order to spread the risk. He stated he did not know of the arrangements between the Dominion Government and the banks with respect to bank advances to the pool on the 1930 crop. I asked McFarland where would the price of wheat be if the pool was selling in any volume. He said, "I don't know—I believe it would be about 45 cents a bushel." He appears to have no doubt that it would be considerably lower than it is at present. Spent most of the day in the office. I afterwards attended the annual meeting of the Board of Trade and heard Dr. McGibbon give a very good address on present economic conditions.

In a letter to Mr. Bredt, McPhail stated: "Mr. McFarland is quite set in his market attitude. He is hoping that there will be

¹⁸In November, 1930, there were 36,935,000 bushels of pool wheat on hand and at the end of the crop year 75,164,000 bushels (47,555,000 bushels futures and 27,609,000 bushels cash grain).

higher prices later in the season and that he will be able to dispose of these options at higher price levels. I do not think he has any particular grounds for his hope other than the fact that wheat prices are at very low levels and that if there is any change in the market situation it must be for the better rather than the worse."

February 12. Board meeting all day. We heard Jardon's story from himself. We had McFarland for about an hour. I am sure he considers the meeting of the Board as a joke. We passed a resolution disapproving of any change of policy in eastern Canada, although McFarland wants to cut out our direct sales there. The Board left me to decide what settlement should be made with Jardon. Wesson, Catton, and I had a talk with Jardon and agreed on \$3,000.00 to him in lieu of a longer notice for closing the Paris office. I had a talk with McFarland during the afternoon. He made it clearer than ever before that he does not expect the pool to be able to carry on another year. He intimated that the banks would never again agree to finance any organization carrying 100,000,000 bushels of unhedged wheat. He made it quite clear that he believes the pools will be forced back to provincial units, operating elevator companies. He has no faith in the pool. I told him it would be very interesting to have the banks refuse to finance the pool this year. McFarland replied to me re the banks: "Ho, they can or will refuse all right." **March 11.** Central Board meeting all day. We had a visit from McFarland. He is like a fish out of water in the Board room. He has no sympathy with, or understanding of, the aims and objects of the farmers' movement. **12.** Board meeting all day. Adjourned at 5 P.M. to go to Regina for a meeting of the three Boards tomorrow. When Wesson asked McFarland if he was coming to Regina, McFarland said he thought the boys would be better back on the farm.

21. Andy Cairns was up from Winnipeg and Brouillette, Marsh, Moffatt, Fry, Evans and Fansher, and I had a long discussion on what we should do with respect to McFarland's selling policy.¹⁹ — is of opinion we should come right out and tell the whole story. **30.** Spent day in the office. Webb of Associated Flour Mills, London, was in the office in the afternoon. I went to Calgary on the 5.30 train. Spent evening with Webb. He expressed the opinion that our present selling policy is not the logical policy for an organization such as the pool. Our old policy is the proper one and the one the mills like best. **May 14.** McFarland met the Board but we did not get any information from him if he has any to give. He is very unsatisfactory. Has no regard nor does he care what the Board thinks. **15.** Spent all day at the office. Had a long talk with McFarland. He promised definitely two or three months ago to see that the provincial carrying charges were paid, but now, although Bennett has recently referred the matter to him, he will not recommend that they be paid. He has guaranteed Manitoba their carrying

¹⁹This selling policy intensified the objections of European traders which McFarland claimed would be overcome by closing the London office (*Report of the Royal Grain Inquiry Commission, 1938, Ottawa, 1938, chap. xii*).

charges. He says he thinks they will be paid, but we have no promise. We have to depend on the goodwill of the federal Government.

The difficulties of the pool brought out strong and weak points in the staff and necessitated further reduction.

April 11, 1931. I called on Glendenning of Riddel Stead, etc. He told me that our office organization in Winnipeg was excellent and that it was surprising how well it was conducted in view of the great difficulties with which they had to contend the past year,—unreasonable attitude of the banks. He said if we gave the staff 50 per cent more pay at the end of the year, we would not be doing any more than justice. **May 11.** All day in the office. Wesson and Parton were in. Findlay phoned me to say he had evidence that ——— had been taking money from the company. I was going to Fillmore to see Ramsay and Hansen if it had not been for this. Went to Winnipeg on the evening train. Continues very dry.

Control by the Government no longer necessitated a large staff.

June 11. Central Board all day. Mostly discussing winding up process. It is much more difficult to disband than to build up an organization. **12.** Board meeting all day. We decided to give all employees of Central notice to quit. It is a very disheartening business.

WITHDRAWAL OF ALBERTA

It became more difficult to maintain unity between the three pools especially with the attitude of Saskatchewan toward compulsion and with the responsibility of each provincial pool to the provincial Government for loans protecting the banks. The importance of elevators in the policy of Saskatchewan increased the divergence in points of view.

July 9, 1930. Board meeting all day. Alberta men seem more estranged than usual. I may be pessimistic. **22.** Had supper with Purdy, Hutchinson, and Plumer. Hutchinson is quite put out that Saskatchewan and Manitoba conceded some things to the trade which it is important Alberta should not. I told him if the three provinces worked together as Manitoba and Saskatchewan had always done, and wanted as well to work with Alberta, the difficulty would have been overcome. They take a very narrow, childish attitude just because they do not like some of our men personally.

November 30. Purdy of Calgary called me up last night at midnight and asked me to go up to their annual meeting on Monday. I promised to do so. I spent day at home. Read and Geo. Robertson drove me to the station to catch the 5.25 train to Calgary. Had a talk with McConnell of the Canada Life on the train. **December 1.** Spent all day in Calgary, most of the time at the Alberta pool annual meeting. I spoke for a short time, but I really do not know why they wanted me to come to Calgary. Had long talk at supper with H. W. W. He is as strong as ever against 100 per cent by legis-

lation. **March 14, 1931.** Meeting of three Boards all day. The meeting these two days was much better than I thought it would be. . . . Alberta Board is much more inclined to 100 per cent control than it was before. I understand four of the Alberta members are in favour of the proposal. We approved of international co-operation in wheat selling and in favour of asking the federal Parliament for enabling legislation to legalize full provincial control over the marketing of agricultural products. **29.** H. W. Wood²⁰ called me in the morning on long distance to tell me that the Alberta Board had decided to give notice of withdrawing from Central. It was a real disappointment, although not a surprise. Alberta and especially Wood is extremely provincial-minded. They have no vision and do not see much beyond the boundaries of Alberta. **31.** Spent most of the day with Wood. We discussed at some length 100 per cent pool and Alberta withdrawing from Central. He is not so violently opposed to 100 per cent as he was a year ago. He appears quite convinced that it is best for each provincial pool to sell its own wheat. I cannot understand the reasoning of Wood and the others who agree with him. He wants to have a little preserve of his own. It is more comfortable not to have to bother with other provinces or outside irritations of *any* kind. I believe it would be the greatest backward step could possibly be made. **April 1.** Spent morning with Purdy and Alberta Board. Talked over Royal Commission, Alberta secession, and other matters. I had lunch with Purdy and Dinning and left for Regina on the 2.30 train. **3.** Executive meeting all day. We discussed possibility and advisability of a Wheat Board. Would be a good thing if provision were made for the pool to carry on and deliver to the Wheat Board. I left for Winnipeg on the 11 P.M. train.

In view of the difficulties of compulsory legislation in Saskatchewan and the possible ruling against it in the courts, efforts were made to revive a national Wheat Board.

April 8. Arrived in Ottawa and registered at the Château Laurier. Met Brownlee at breakfast. Met Hoey and McPherson. Had a long talk with Weir. He talks very strongly and definitely in favour of the pool and says co-operation and combination is the only method of the future. He stated in reply to my question what he thought of the 100 per cent control proposal that it was the only thing to do and when I asked if the compulsory features concerned him, he said no. It is not compulsion. He strongly believes we should ask for an investigation into the pool method of marketing. He suggests that such an investigation would clear the air and set co-operative marketing off to a good start. **16.** I asked [Mr. Bennett] what attitude would be taken towards enabling legislation re 100 per cent control of wheat in Saskatchewan in event of the Saskatchewan Appeal Court decision being against the validity of the Grain Marketing Act. He said he doubted the power of Parliament to pass such legislation. I told him I understood the federal Parliament and the provincial Legislature had, between them, the

²⁰In a letter to McPhail dated **March 25, 1931**, he wrote: "I am still a staunch adherent to the voluntary co-operative pool system and ready at all times to promote development of that system to the best of my ability."

power to pass any legislation they wished, particularly in matters of trade and commerce and property and civil rights. All he would say was that he doubted it. This, to me, is clearly an evasion. The interview, while pleasant, was quite unsatisfactory. He, no doubt, thinks he outwitted me, but he did it only because of the position he occupies, and the position the pool is in at the present time, where it has to depend on his goodwill for its very existence. I was fully aware how and why he answered as he did my various queries, and yet I appreciate that he is in a difficult position regardless of how much he might be disposed to be helpful. Went to Toronto at 1.15. 24. Executive meeting all day. Geo. W. Robertson and I met M. A. McPherson to discuss possibility of a Wheat Board. We found McPherson very favourable to a national Wheat Board, and he intimated it was the opinion of the Premier. We told him if there was a Board we would insist on provision being made for a continuation of the provincial pools. He was quite agreeable. We are trying to arrange for a meeting of the three pools and three Governments next week if possible. Brownlee and the Alberta pool do not want meeting held until middle of May. We think that is too late in view of the conference of wheat ex. countries in London, May 18, and the necessity for the opinion of Western farmers to be clarified before that date. 27. At the office all day. The Appeal Court of Saskatchewan handed down their judgment today to the effect that the Grain Marketing Act (100 per cent control) is *ultra vires*. I don't know what we will do now, but the decision probably rules out any possibility of a referendum this year. I phoned Brownlee to ask him when he could attend a meeting of the three Governments and pools. He said he would consult his colleagues after lunch and wire me. I had no word from him today. I had a letter from Irwin of *Maclean's Magazine* asking me to write an article.

May 1. I left Regina for Calgary on the 5.25. Spent the evening with — of the Searle Grain Co. He is a terrible blatherskite. Travels in the regular grain trade style—a drawing room all to himself. Not even a compartment good enough, while I travel in a lower berth. He would consider that, however, quite appropriate. I am only a farmer even if I am head of an organization which handles half the grain. 2. Spent all morning until 2 P.M. with H. W. Wood. He is quite an old man and quite out of the ordinary in many ways, but getting too old in his ways for a virile organization. I left for Regina at 2.30. I wanted to make things as smooth as possible in Alberta in view of the conference to be held Monday in Saskatoon against the wishes of the pool in Alberta. They will not send a delegate. They are really not co-operative at all. 4. Meeting all day of the three Premiers with pool representatives from Manitoba and Saskatchewan, representatives of the three provincial educational bodies and the anti-100 per cent organization. We agreed on asking for a Wheat Board.²¹ Came home on the midnight train.

²¹The decision of the Appeal Court and an injunction secured by the anti-compulsory organization restraining the pool from making expenditures in the compulsory campaign compelled the pool to stop. McPhail issued a last circular opposing anti-compulsion arguments dated April 4. McPhail announced their

14. Board meeting all day. We discussed at length our future and the possibilities of carrying on as pools. I don't think we can the way things look now. Alberta seem confident they can, but I am sure they are not looking all around the problem. I met Roberts of the Great West Grain Co. 28. I spent the day with the Alberta Board. For half a day they appeared to be still quite opposed to a Wheat Board, but towards evening seemed to change and decided to support the request for a national Board. Mr. Wood put it on the grounds of agreeing to it because Saskatchewan wanted it and it wouldn't hurt Alberta. In my opinion,—in spite of my regard for H. W., that little attitude was eyewash. Alberta needs a Wheat Board just as badly as Saskatchewan. We had a very excellent and enjoyable meeting. I had a long talk with Brownlee. He is anxious to come with the pools and I am sure he would be of great value. 29. I spent the morning in Calgary, part of the time with the Alberta Board. They were greatly pleased with our meeting yesterday. I had lunch with the Calgary Board of Trade and sat beside Elmer Davis, President of the Manufacturers' Association. He seems a very decent sort of human being, but talked quite a lot of rubbish. He said the conditions in Western Canada had been grossly exaggerated in Eastern Canada by certain men. I do not believe they can be exaggerated. Davis and his kind, when they visit the West, do not come in contact with the right people to get the truth. I left Calgary on the 2.30 train. June 4. We had an executive meeting all day with Lew Hutchinson and Bob McPherson of Alberta in attendance. 5. Meeting continued today with Alberta representatives discussing future policy.

The Government decided to move cautiously and to appoint a commission presided over by Sir Josiah Stamp to pronounce on the economic efficiency of speculative marketing. The proposal was regarded with suspicion with possibilities of becoming an attack on the pools.

April 4, 1931. I arrived in Winnipeg at 11.40 A.M. and had to go to Bracken's office, where I met Bracken, Brownlee, McConnell, Major, and Hoey, also Purdy. Meeting to decide who to recommend for the futures trading commission. We decided on Legge as 1st choice and Chief Justice Brown as 2nd. Biggar and Cairns were also mentioned. I called Legge on long distance, Chicago, but he couldn't act. . . . I spent the evening at the Royal Alex. with Purdy waiting for Brownlee. 9. Spent all the day around the hotel mostly waiting for Brownlee. Purdy and I had a talk with Speakman and — of Alberta. The Premiers and bankers had a meeting this morning. They all dined together and had an address from Sir Josiah Stamp,

agreement in a radio broadcast on May 5. It was urged that a Wheat Board was essential as a preparation for the international conference of wheat producing countries to be held in London on May 18. "The meeting respectfully suggests to the federal Government that unless within the present month there is strong evidence of a considerable increase in price levels the Government should consider the establishment of a Dominion Wheat Board with provisions for the highest possible initial payment."

which very greatly impressed them all. He is evidently a very big man. I spent the evening with Purdy, Brownlee, and Hoey, mostly discussing plans for the sittings of the Stamp Commission. 11. Had breakfast with Brownlee, Porter, and Purdy. We talked over the forthcoming *Inquiry*.

13. Met Dr. Duvel. He took me to see Secretary Hyde, after which I had lunch with Duvel. Hyde is very affable and seemed greatly interested and concerned with present agricultural conditions. He does not like the futures market. Duvel is a very fine man and has a wealth of knowledge of futures trading. Hyde does not want Duvel to give evidence before Royal Commission in Winnipeg unless asked to do so by commission on theory that an invited witness has more weight than a voluntary one. I met Stone, Chairman of the Farm Board, and two of his associates, Carl Williams and McKelvie. Stone impresses one as being earnest and able, well fitted to stand up for farmers. The other two men are lighter.

14. Arrived Toronto 11.20 A.M. Davidson of the *Globe* met me and I gave him an interview. I had — to lunch. He told me some very interesting things about the inside story of the events leading up to the appointment of the Grain Futures Commission. I can hardly believe it. The story goes that the federal Government is afraid of the organized power of the farmer, the pools, but especially the 100 per cent campaign or its results. They sent one of the Cabinet to Winnipeg some time ago to approach the grain trade to have them ask or agitate for an investigation into the pool. The trade were, of course, jubilant, but when he got back to Ottawa, his Secretary told a member of the press gallery confidentially. The press man sent the story to his paper same night and a few days later the paper carried a story of the proposal to appoint a commission. This upset the plans and the Government was placed in an awkward position. It seems the first plan was to have a wide open inquiry but on account of the premature publicity, it was limited to an inquiry into futures trading. The foundation of the whole story rests on the alleged fact that a certain man now in Winnipeg has discovered something in connection with pool business that would put it in a bad light in the country. I cannot believe that Ottawa and especially the Minister concerned would be a party to such tactics. I have great respect for the man mentioned. I called up Manning Doherty and called up B. P. Alley of the Bank of Commerce.

15. I tried to see the Prime Minister but did not make it today. I called on Dr. Skelton re my overseas expenses. I had Weir to lunch. He is undoubtedly strongly behind co-operative marketing. He urged me again strongly to ask the Stamp Commission to investigate and report on the two methods of marketing—pool and grain trade. He suggests that, in his opinion, there would be only one report from a man like Stamp. If the report favoured the pool method it would clear up many doubts in many minds and pave the way for 100 per cent co-op. marketing in 12 months. I see his point but I doubt his conclusions. Then again one hears so many rumours and reports re the reason or original reason for the appointment of this commission. One thing we do know which tends to confirm suspicions is that the Government did not approach or consult the farmers in any way about the commission. They evidently did the grain trade. I spoke to him about

appointing Smith to act for Canada at the London conference and asked about placing a duty on corn and flax. He said a duty would be placed on corn anyway.

I called on Milton Campbell and then spent a couple of hours in the House. I found the sitting the most interesting I have ever attended. Woodsworth was speaking on unemployment. The House was packed and everyone listening with tense attention. He was followed by Bourassa, who made an impassioned plea for consideration of the present serious conditions. He said that as a result of knowledge of actual conditions, gained from helping alleviate conditions in Montreal, he had stopped riding in Pullman cars. King and Bennett also took part later. I spent the evening in my room with Bob Gardiner. He has good ideas and is aggressive. He told me Bennett's refusal to trade with Russia was for the purpose of helping out the Royal Bank. Bennett's trip to Washington was to arrange that if U.S. would refuse to take pulp from Russia, Canada would refuse to take coal. This is of great importance to the Royal Bank because it is in such difficulty on account of its close association with the pulp and paper industry. He is strongly for 100 per cent control.

16. Called on Stoneman, Turnbull, Bill Loucks. Called in at Jack Vallance's room and met W. R. M., Chas. Stewart, Ian McKenzie, Vallance, Young, Totzke, and a couple of other members. Had an interesting talk. I met the Prime Minister at 12 k. and had half hour's talk. He was very affable, but I didn't get any information out of him. He talked at length about the Stamp Commission. He has a great regard for Stamp. He says Stamp has the finest mind in the U.K. today. He asked me to write to him fully re carrying charges. I am afraid he took such a course to sidetrack me, but he said he wanted to place the matter before his colleagues. I asked him about the London Wheat Conference and if Smith would be satisfactory to represent Canada. I told him he would be eminently satisfactory to the pool. He thanked me and said he was very glad to know. He thought he had been of good service at Rome.

19. Mrs. McPhail, Kenneth, and Brooks Catton met me at the train. Catton came home and remained for breakfast and lunch. Spent the afternoon in Board room with Marsh, Brouillette, Wesson, Moffatt, Catton, Evans, Fry, Riddell, Read, and Yates. They were unanimous I should give evidence before the Royal Grain Commission. Spent evening on train with Biggar, Reid, and Milliken. Biggar and Milliken think it is a mistake for me to appear before the commission. 20. Biggar spent all day with Duvel. I spent some time writing what I intend saying before the commission. I told Biggar and R. H. Milliken in the evening that Cairns and I were going to give evidence and they appeared to be reconciled. Biggar suggested some things I might say. 21. I re-wrote my case to give before the commission. I took it for granted all day that Cairns and I were to appear, but after the adjournment at 6 P.M. Biggar again took a very strong stand against the pool going on the stand. I asked him to tell his story to Brouillette, Catton, Robertson, and Burnell. They didn't know what to say. I said I would rely on their judgment as I was involved and if anyone was going to get into trouble it would be me. Later at night these men were unanimous that

Cairns and I should go on stand. Biggar was very insistent against,—evidently afraid the pool would get into deep water. Porter phoned from Calgary this evening again backing up Biggar's stand that the pool should stand aloof. Brownlee took same stand. 22. A few minutes before I got on the stand, Biggar again expressed his strong disapproval. I told him Read had been talking to Judge Brown this morning and he thought I should give evidence. Biggar replied that he too was talking to Brown and that Brown thought it was quite unnecessary and might lead to trouble for the pool. Anyway I went on.²² Evans tried to get answers from me that would embarrass the pool. Cairns did very well and made a good impression. It is a great pity he did not get on the stand sooner. He showed ability to stand up to Stamp's questions. I attended the annual dinner of the Omnia Club. Charlie Folliott was toast master and a very good one.

June 18. Cairns was up from Winnipeg to see about issuing a statement with reference to Chart 10²³ in the Stamp Report.²⁴ We had a long talk with

²²McPhail argued that the futures trading system "of determining or influencing the price level is too insecure and unstable a foundation on which to build any industry. . . . Uncontrolled speculation results in much wider fluctuations in the market price than would otherwise be the case." He asked for supervision of the Winnipeg futures market similar to that exercised in the United States. Mr. Cairns presented evidence to show that from August to November, 1929, Winnipeg prices were from 5.6 cents to 8.1 cents higher than the Liverpool futures. He pointed to the "great and very general decline of speculation in grain in Europe" and their preference for hand to mouth buying and to the implications of the narrowing of speculative activity in Europe and the United States for the free market in Winnipeg. Liverpool was regarded as a narrow market with the growth of large-scale milling organizations in England. With the decline of a free market, variations were accentuated by mass speculation. Neither the grain merchant nor the farmer were protected in a market in which political factors such as tariffs and the rise of large-scale milling organizations had become significant. See A. B. Hurst, *The Bread of Britain* (Oxford, 1930). Mr. D. L. Smith was quoted to the effect that "The future market in Winnipeg is forced to absorb in hedges about 50 per cent of the entire wheat crop with practically no buying power to take the slack off with the result that prices are forced down by ourselves not in an effort to sell to Europe but merely to protect Canada's merchant in his country purchases. This may be a somewhat exaggerated statement but it is not far from being a fact." Under these circumstances it was argued that speculative marketing was not effective as a risk-carrying organization. "We believe that on the average in the long run it pays the farmer to carry, himself, the risk of price fluctuation until his grain is moved into consumption." Detailed information was given as to European restrictions and as to competition. The net returns to growers at country elevators were calculated for May to June, 1931, as 37.75 cts. per bushel for Canada, 23.65 for the Argentine, and 38.27 for Australia. See *Grain Futures and Speculation* (Winnipeg, 1931).

²³This chart was aimed at the pool and designed to prejudice growers against it. The Commission decided to delete it.

²⁴See *Report of the Commission to Inquire into Trading in Grain Futures* (Ottawa, 1931).

Judge Brown. I agreed to the issuing of a statement after the original prepared statement had been toned down to a reasonable statement of fact. Even at that I am very doubtful of the wisdom of issuing anything. I would much rather rely on my own judgment than be pestered by publicity men when I am so busy with other things. Their main instinct is for newsy news and striking out at something.

McPhail made a final effort to save the organization but the problems of Alberta and Saskatchewan were insuperable.

June 22. All day on the train. Had lunch with Brownlee and talked all afternoon on pool problems. We agree completely on necessity of largest possible measure of inter-provincial unity amongst the farmers' organizations in Manitoba, Saskatchewan, and Alberta. I think unity now is vital. It needs a bold lead at this time. **24.** Wood and Purdy arrived. We all met the Cabinet at 11 A.M. Brownlee presented the case for a Wheat Board. Anderson, Hoey, Wood, and I spoke briefly. Myself very briefly. We got a very good hearing. Bennett appeared sympathetic to doing something, but raised constitutional difficulties in the way of a national Board. I am sure they can be overcome by the Legislatures of the provinces conferring such powers as are necessary on a national Board. Guthrie suggested an inter-provincial Board, which I think is the best, but Brownlee does not seem to favour it. Bennett realizes the seriousness of conditions in the West. **25.** Spent all day in Ottawa. The Agricultural Committee wanted me to go before it to give evidence. I sent word that I was tied up, as I was. . . . They sent me an invitation after noon to appear on Tuesday next, or if I could tomorrow they would call a special meeting of the committee. I was leaving, however, for Toronto. I am sure the men who wanted me had no good purpose in mind. — of — has always been a bitter opponent of the pool. Brownlee, Purdy, and I spent the evening discussing plans for the future. Brownlee and I went to Toronto.

29. Spent all day on the train. Had several conferences with the others on the possibility of an inter-provincial organization to do the hedging for each pool elevator co. McIntyre is quite of the opinion such an organization is a practical solution. Met Rev. Ranns of Humboldt and had a long talk with him. I believe all the unity possible should be maintained between the three provinces. **July 2.** Board meeting all day. We discussed at length the possibility of an inter-provincial set-up with Brownlee in as general manager or general counsel. The Manitoba and Saskatchewan representatives are all for it, but Wood and the Alberta men all opposed. — as usual cannot see any further than the boundaries of Alberta. We have always had to use great tact with Alberta in order to keep them with us, but it seems impossible now. All — wants is to get back to Alberta with his little family Board with nothing to bother him. I sympathize with him as an old man, but it is a calamity to have the poor old man in a position of such responsibility at this critical time. He says we have failed, which I deny point blank. He says we have never had any harmony, which again I deny. We had amazing harmony and success for over 5 yrs. Nothing has succeeded the past year and a half. — wants to go back in place of going forward.

Manitoba feels the same as we do and Manitoba feels that, although Saskatchewan is twice as large as the other two provinces together, and although Manitoba is the smallest of the three,—that Saskatchewan has never tried to dominate or try to run the organization because it was the largest. On the other hand both Manitoba and Saskatchewan feel that Alberta has always had to be humoured,—has always had to have most of its own way,—if we were to keep together. In other words it has always, and particularly the last year or two, acted like a spoilt child.

4. Board meeting all day again preparing for delegates' meeting. I am disappointed that they are too much inclined to be influenced by — on matters of policy and are going to be guided by his opinion re setting up a central organization to do the hedging for the three provincial elevator companies. A decision of this kind makes unity between the three provinces difficult. The newspapers are doing all they can to embarrass the pools just now by printing stories to the effect that the pool is going into liquidation. 16. Brownlee and Bracken with Wood and Hutchinson, Purdy and Porter from Alberta and Paul Bredt for Manitoba were here in conference all afternoon in the Council Chamber at the Buildings. We adjourned to meet next day at 2 P.M. We dealt with Bennett's letter re operation of the three pool elevator systems, and wired him suggested changes in the proposal, which would allow for provincial control of elevators but co-ordinated selling. 17. All day conferences again. Brownlee and Bracken met our Board for short time. Spent all afternoon at Buildings and pretty well agreed what we wanted and agreed to meet in Winnipeg on Tuesday next in Bracken's office. Brownlee is making very stiff terms with Alberta pool and I do not like it at all.

22. Hutchinson, Plumer, Porter, and Purdy were here for Alberta. Brouillette, Read, and self for Saskatchewan and Bredt for Manitoba. We didn't make much progress. McFarland²⁵ and Read were opposed to anything of an inter-provincial set-up. . . . We worked on a plan until after midnight as a committee of the conference which would make the provincial pools agents for a central organization. 23. We reported back to conference again, but J. I. McFarland was absolutely opposed to the plan. I had to tell — in as decent a way as I could to stop his opposition in the conference. We adjourned in the evening after appointing two committees to bring in two plans next evening at 7.30 P.M. 24. I was chairman of the principal committee Bredt, Hutchinson, and we had in McIntyre, Folliott, McIvor, Findlay, and Read. Each of these men agreed the plan we worked out providing a set-up to enable the three provincial organizations to hedge and sell their cash grain through one central was practical and feasible. When we met in Bracken's office and presented the plan, J. I. McFarland expressed strong disapproval. We decided that a committee would go to Ottawa to meet R. B. Bennett to see what arrangements he would make in the way of financial

²⁵At the Board meeting in June, Mr. McFarland "was strongly of the opinion that an effort should be made to stabilize the market for the new crop and prevent an inevitable decline in prices." He began to make purchases of futures in that effort in July.

support to the provincial organizations. McFarland was to get in touch with the Prime Minister and representatives of the provincial Governments and pools would go.²⁶

August 12. Board meeting all day. It is evident that, although the Alberta Board want to co-operate with the other provinces, Wood is still determined to stop it. **13.** Board meeting all day. Alberta decided to take Geo. McIvor as chief salesman if he would go. . . . I am convinced that a real attempt will be made by the Government to get control of our system of elevators and foist McFarland on us by the time the year is out. We would be much better to go out of business rather than submit. **14.** Board meeting again. Alberta are trying to get Folliott to handle their hedges, although he is going into private biz. They are determined they are not going to co-operate with Saskatchewan and Manitoba. **15.** Spent nearly all day in the office discussing with Findlay, MacLeod, Cairns, Folliott, Herbert, and Steele. They are all profoundly disappointed with the attitude of Alberta. It is hardly understandable. More narrow and lacking in vision than one would believe possible.

The Board finally agreed that "inter-provincial co-ordination was desirable; each provincial organization to be an independent self-responsible unit, appointing its own sales force, but co-operating, particularly in hedging and selling and also in the disposition of pool grain through its salesmen." The Central Selling Agency was not available for the 1931 crop. A statement was issued describing the steps to be taken in discontinuing the branch offices other than those at Paris and London which had been closed as a result of Mr. McFarland's demands. A staff of 150 were dismissed. In a final challenge McPhail wrote: "I am confident that in spite of the dark days through which the world is passing, and through which the farmers' co-operative movement is passing, the farmers will yet secure through co-operation their objective of an equal standard of living with any other class. They will be content with nothing less. They would be less than men if they did."

²⁶See the statement issued on this date over the signatures of the three Premiers (*Canadian Co-operative Wheat Producers Limited, Directors' Report, 1930-31*).

CHAPTER IX

SURVIVAL

"One step and then another and the longest day is ended"—citation in diary.

THE Central Selling Agency was faced with the necessity of paying a high interim payment in July on the crop of 1928 and a high initial price on the crop of 1929 partly as a means of checking the spread of compulsory sentiment in Saskatchewan. A low initial price would have encouraged bootlegging and accentuated the demand for compulsion. Even with the high price it was necessary to carry on an active campaign against it and McPhail was compelled to spend much time and energy in speaking throughout the province.¹

¹He had much correspondence on the same subject. In a letter to a pool delegate, Mr. George Emmons at Eyebrow dated **October 8**, he wrote: "I would like to point out that as members of the Wheat Pool we have all felt rather proud of belonging to a co-operative organization and that our organization is not in any way of a political character. I would like to suggest that it is very dangerous for the membership of an organization such as ours to divide themselves in two camps on one particular issue which can only result in a political set-up. This is the time above all others for the members to remember that they are co-operators, and to realize that probably ninety-nine per cent of the membership, as individuals, are sincerely desirous of furthering the interests of this organization in order that it may be of greater service to the farmers. It is a time to cultivate the qualities of statesmanship which are not the monopoly of men engaged in the political arena. Perhaps one or two of the outstanding qualities of real statesmanship are patience and forbearance and the ability of a man to place himself as much as possible in the shoes of men who hold opposite views, the ability to even see the problem from the other man's viewpoint, even if he cannot agree with the opposing views. If the membership of our organization can take such an attitude in connection with the question that is now creating such feeling throughout the province no one need have any fear of the future. If, on the other hand, we become irritated and exasperated because of certain views strongly expressed by those who have different opinions to ourselves and as a result the people on both sides become set and stubborn in their attitude, there can be no result other than disastrous for the organization."

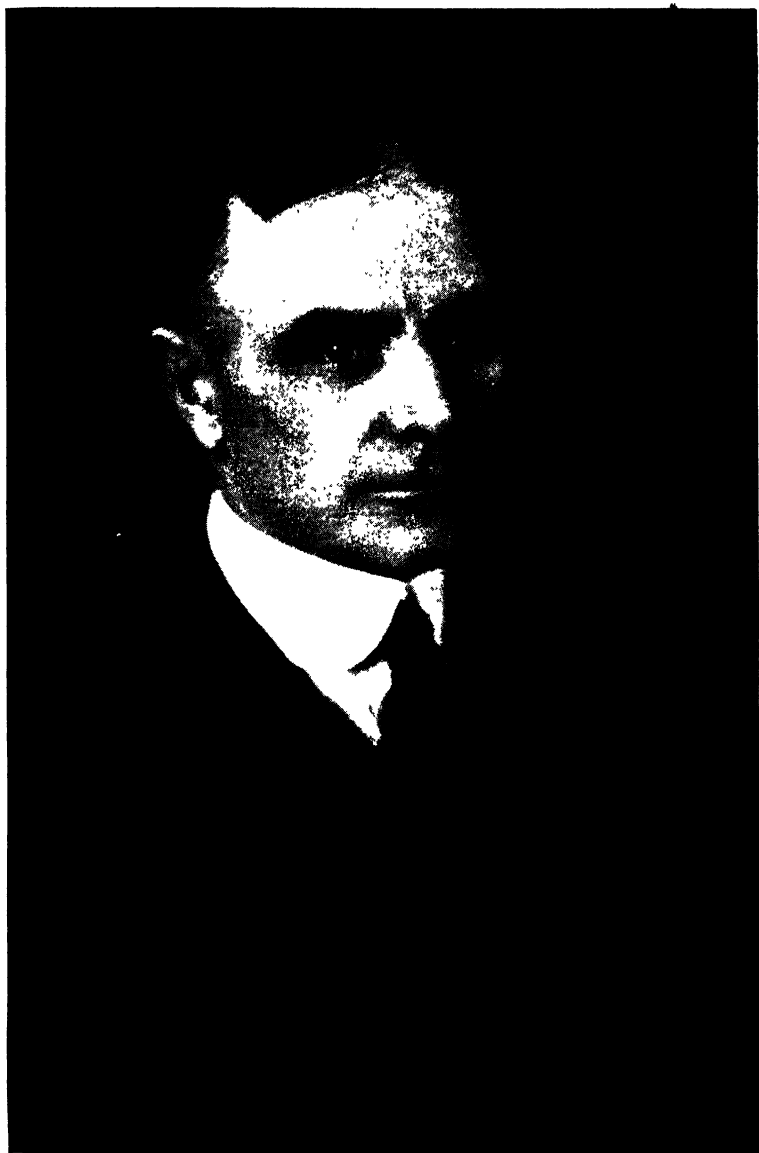
In a letter to Mr. Hector L. Roberge, pool delegate, Battleford, Saskatchewan, **January 2, 1930**, he wrote: "I am certainly in favour of as great a control of wheat by the pool as it is possible to get up to 100 per cent, and there would undoubtedly be advantages through having 100 per cent control through our own marketing organization. I do believe, however, that the advantages of a 100 per cent control by one organization would be much more than offset by the

July 11, 1929. I spent the morning in the office and drove to Kandahar. I got there for about an hour of the afternoon meeting and addressed a meeting of about 100 in the evening. There was quite a bit of dissatisfaction expressed over salaries, etc. The meeting as a whole, however, at least 95 per cent, was very friendly. I drove to Wynyard after the meeting. **16.** All day Board meeting. I had to spend a couple of hours with a delegation of seven contract signers headed by a man from Milestone, who wanted to know why we hadn't sold more wheat last fall. I think they were all satisfied but —. Took the evening train to Winnipeg. **21.** Spent the morning in the office with McKay, Live Stock Pool, and Arkell, Live Stock Commissioner. Sir Wm. Dudley was to call, but did not turn up. Smith, elevator traveller, drove me to Dysart. When we got there, Sandy Gerard was making an attack on the Board. I answered and we had a good meeting. Good evening meeting with 175 out. Smith drove me to Qu'Appelle station to get the midnight train. **26.** Spent the morning at the office. Geo. Robertson and I took a French miller and his wife from Paris to lunch, also Mr. Jean, French consul in Regina. I drove out to Riceton with Gordon Brown, Tom Guild, and Anton Bures, to an evening meeting. There was a large crowd which packed the church. At least 300. I was on my feet three hours and 45 minutes speaking and answering questions, Maggie McGillivray of the 12th of Bruce came up and introduced herself after the meeting. I wouldn't have known her. It is 32 years since I saw her last. We got home at 1.30 A.M. **August 30.** Spent day in Elfros and at Ladstock. Addressed a large meeting at Elfros in the evening. Our elevator is getting good deliveries. **31.** Called at E. Patrick's, where I had lunch. Also called at Hamilton's for a couple of hours. Drove from Lestock to Regina in 2 hours and 30 minutes.

Criticism of the pool was encouraged by the United Farmers of Canada in their insistence on compulsory marketing.²

September 4. Arrived in Regina at noon and spent the afternoon in the office. I had a talk with Brouillette on Monday about compulsion. He denied having in mind compulsory legislation that would not give the Government or the non-pooler representation on a selling Board. Never-
disadvantages of the methods used to secure that control. For instance, I consider you would have a much stronger organization in any line of ten men who were free, voluntary, and enthusiastic members of the organization than if you increased that ten to fifteen by forcing the last five into the organization. Ten men who are agreed on the value of their organization, agreed on the policies to be pursued and enthusiastic and aggressive and united in prosecuting these policies, would undoubtedly be much stronger than fifteen with five of them in against their will. The energies of the organization with fifteen, five of whom were compelled to belong, would be dissipated through lack of unity amongst the members themselves."

²At its third annual convention in February, 1929, the U.F.C. passed a resolution endorsing an educational campaign for compulsory pooling. See Jean Burton, "Developments in the Western Farm Movement" (*Canadian Forum*, May, 1929).



ALEXANDER JAMES MCPHAIL

theless he and his associates have been advocating just that. A most fantastic and silly idea. 7. I was in the office until 2 P.M. Moffatt, Fry, and I had a long talk about the present serious situation in the province over compulsion. We agree that the time for aggressive action has come to combat the insidious campaign being carried on by the U.F.C. which is being directed by a Wheat Pool Board member against the policy of the Wheat Pool organization. A very peculiar and serious situation. 16. — has evidently been attacking me personally in the country. I am surprised to hear it as I thought he was more loyal to associates. 19. Board meeting all day. Sapiro visited the office and called on the Board about 5 P.M. He behaved himself very well. Not so much like a spoiled boy as he often does. I attended his evening meeting. His speech was very laboured. His heart is not in it as in 1923-4. Arguments are not arguments. 20. We had quite a long talk in the Board on compulsion. I expressed my views of the present situation as clearly as I could. It is very serious. Had long talks with both Spears of the Bank of Montreal and Alley of the Bank of Commerce. 25. Called at Hamilton's for lunch and stayed there until 5 P.M. talking mostly of compulsion and some way of avoiding a war. Will the U.F.C. take this disruptive question out of the pool and advocate if they want to, Government control of non-pool wheat through a Government agency? Let the pool develop as a co-op. organization. We stopped at Semans. I met Sapiro who did not want to talk to me. It was very amusing. 27. Arrived home in the morning. First I dictated a radio address. A number were in throughout the day. Had talks with various men around the office on our pressing problems and particularly the most troublesome one of all—compulsion. I went to Winnipeg on the 7.45 P.M. Bures read my speech. 29. Had talk with Fry, G. Brown, and Geo. Robertson re best policy to deal with compulsion now. 30. Drove with Newsome to Ernfold to a pool banquet. Over 300 in attendance. I was 10th speaker. I dealt fully with compulsion. It seemed to take. **October 1.** Drove to Swift Current where we stopped all day. McKague, Newsome, and I drove to Neville where we had a very large meeting. Again I dealt with compulsion. We drove back to Swift Current for the night. 2. We all drove to Hodgeville for a Board of Trade lunch. I spoke to a large crowd at 2 P.M. Full hall. Had supper at Sammy James and had another large meeting at Coderre at 8 P.M. Drove to Moose Jaw, 60 miles and got to bed at 2.30 A.M. 5. I drove to Wishart for an afternoon meeting. Only a few turned up and we met in the elevator office. We had a good meeting at Bank End at 8 P.M. I drove to Elfros with Duncan. 6. Stopped in Elfros until 2.45. Dan Delaney and Rouck called and we arranged for a meeting at Elfros on Saturday, 12th. I drove to Wynyard to meet Angell but he didn't turn up, although I waited until 5.50 P.M. I left there at 10 to 6 and arrived in Regina at 9.15. 7. In the Regina office all day. Angell came in to see me about the compulsory question. 12. I drove to Tuffnell for a 2 K. meeting. Gee Johnson went with me and I took Eric Smith to drive. There were only about 20 out. We had a very large meeting at Elfros. There appeared to be a lot of compulsory sentiment but I could not raise any questions from the supporters of the idea.

16. Board meeting all day. I had lunch with Mr. Gwyn, Editor of the *London Morning Post*. I drove to Edenwold with Eric Smith, R. A. Robinson, and Tom Guild for a pool meeting. Had a good meeting. 250 in attendance. Got home at 12.15. Geo. Williams [President of the U.F.C.] replied to my Elfros speech at Swift Current last night. He did not deal with the important features at all. 19. Eric Smith drove me to Moose Jaw where I caught the train to Elbow. I got there about 3 P.M. and spent the afternoon with a brother of Peter Kennedy. I addressed a very large meeting in the church in the evening. At least 300 were present. I drove home with Brooks Catton, 50 miles, arriving at 2.30 A.M. 20. Spent the morning driving around with Brooks Catton to his various farms. . . . We took the train at 1.30 for Winnipeg.

24. I spoke at a Board of Trade lunch at noon in North Battleford. Attended meeting of pool members in the afternoon and addressed a very large meeting in the evening, 400, or more people. Drove out and called on Alex. Menzies and family. Spent some time after meeting at Raeburn's with Charlie Davis. 25. Got to Saskatoon about 11 A.M. and spent the afternoon with C. King and Pat Waldron. Had lunch with McGeachy of the *Saskatoon Star*. Had large meeting at Rosetown in the evening. At least 400 present. 26. Drove to Bob Pewtress' for lunch and from there to Kindersley where I had a very large meeting starting at 2 P.M. At least 600 in attendance. I had a good hearing, but there is a great deal of compulsory sentiment there. The Chairman called on Mrs. P. Johnson to speak after me. She went over my speech and tried to pick it to pieces. It was very unfair tactics and very irritating to have the little woman peck at me as she did. I drove from Kindersley to Biggar and caught the Confederation to Regina. 28. P. B. Thomson and I drove to Earl Grey to a meeting at 2 P.M. Over 300 in attendance in spite of snow storm. We drove 50 miles to an evening meeting at Govan. Over 300 there too. Called on Dufferin Young in the hospital in the morning. Very good meetings. 29. Spent morning in Govan and drove to Nokomis where we had a very good meeting at 2 P.M. Drove to Semans for a 7.30 meeting. Good attendance but I had to go at 8.30 to catch the train for Winnipeg. Met Stirling, publicity man for U.F.C., at Govan, but told him I did not want to argue with him. He and Johnson, U.F.C. Director, were at my Semans meeting, no doubt to stir up trouble, but did not get a chance.

The delegates' meeting in November left the question unchanged.

November 10-13. Delegates' meeting all day. They adjourned at about 6 P.M. Discussed compulsory pool in the meeting today and turned down resolutions for an educational campaign and a plebiscite. We are as we were on the question. Took the 7.35 to Winnipeg.

25. Took the train at 4 A.M. to Piapot arriving there at 11 A.M. Met by Sam White and Mrs. Unsworth. Spent day there and addressed a banquet to Unsworth in the evening. Took the midnight train to Calgary. 27. All day in Calgary. Spent from 3.30 P.M. until 10.30 with Wood. Had lunch with Jim Cameron and Jim McDougall. Wood is preparing his annual

address for the U.F.A. He is going to give the 100 per cent pool by compulsion a blast. 30. Swain Christianson drove me to Kuroki. It was snowing and quite stormy. There would be 100 at the meeting, which was very attentive. McNamee was there and tried to make dissension but didn't make much headway. The crowd was 95 per cent with me. I took the 7 P.M. to Winnipeg.

December 10. This is the day of Board elections. Had talk with Dufferin Young in the morning. He wanted to make some compromise on compulsion. I told him I couldn't see any compromise between compulsion and co-operation. District 9 met all afternoon. Most of the directors were re-elected today. 11. District 9 delegates met all day again. I was elected about 5 P.M. The six compulsory men tried to find a resolution on which we could all agree, but I refused to give support to any resolution that would in any way commit me to support of compulsion. They were very decent about it and reasonable. 12. New Board met and elected officials. I was elected to all my former offices. . . . We must do what we can to keep all elements bound together as much as possible even if a man like ——— does get further than his abilities warrant sometimes. He is the most suspicious man I ever met. A man who is suspicious himself of others must be a suspicious character.

16. Went to Indian Head in the morning and addressed the Board of Trade at a lunch and a Wheat Pool meeting in the afternoon. Both were good meetings, especially the Board of Trade. 21. Spent the morning at the office. Had talk with ———. He is evidently more determined than ever to put over the compulsory pool. His shaking on the Board has simply made him more set than ever. He is a most dangerous man because of his fanaticism and lack of ability and strong tendency to scheme. Went to Saskatoon on the midnight.

January 3, 1930. Our executive spent all day until 12 P.M. in conference with the U.F.C. executive. We had some plain, frank talk, but I doubt if any good was accomplished. There is very little, if any, material on which to work. I told them there would never be harmony in the farmers' movement until there was a clear-cut division of work and responsibility between the various organizations. Pool members must be wholly responsible for pool policy and likewise U.F.C. members for U.F.C. policy.³ 7. Took the

³In a memorandum he argues that the U.F.C. had a varied field and that the Wheat Pool was "primarily a merchandising organization. . . . It is important that the sphere of activity of each organization should be as clearly defined as possible and that the work of the one should not encroach on, or conflict with, the work of the other." He was opposed to the plan which involved no representation of the large number of non-pool farmers or of the Government. A proposal for control by the producer, the pool, and the Government had possibilities but this would mean that Governments would have "a voice in controlling and directing the affairs of *our* business." The introduction of compulsion in a co-operative organization illustrated Lincoln's dictum "This country cannot live half slave and half free." He quoted Alexander Berkman: "The idea that the end justifies the means is the most heinous and fatal thought ever conceived

noon train from Watson to Humboldt where I was met by Osborne Upper. It was a very cold day. About 35 or 40 below. We had a meeting for an hour and a half, when I had to catch the train for Kamsack. There were 60 present. Arrived in Kamsack at 9.30. 8. Reported 58 below zero this morning. It felt like it. There were 80 at the afternoon meeting and 60 at the evening dinner. Very satisfactory meetings. I took the 9.30 train to Winnipeg.

March 21. Our Board was in session all day with the U.F.C. executive discussing the question of a compulsory pool. The U.F.C. officials have shifted their ground a great deal from the Sapiro proposals. Although I am opposed to any compulsion, their present plan is much more palatable and feasible than their first. It at least acknowledges the right of the individual to a voice in directing the affairs of the organization to which he would be compelled to deliver his wheat. Williams read our Board a little lecture when we announced we could not agree to appoint a committee to co-operate with their committee on the compulsory idea. It was a real piece of impertinence. — of their executive lost his temper and referred to our Board as dead timber. I told him to curb his tongue and conduct himself befitting a man in a conference. 22. Our Board sat all day. Met the U.F.C. executive again and ended our conference for the time being.

25. Meeting all day with my delegates of District 9. A number of them are very keen on compulsion particularly — and —. I am in a very uncomfortable position in my own district when the majority of the delegates are not in sympathy with me on the question of co-operation and where some of them are much more in sympathy and more intimate with other members of the Board in whom I have little or no confidence. I feel that they think they can depose me or make me come to terms. They may do the former but *never* the latter unless I feel what I do is right. We sat until nearly midnight. 28. Arrived in Foam Lake in the morning and addressed a large pool meeting at 2 P.M. 29. Addressed a large meeting at Wishart at 2 P.M. Drove into Elfros in a sleigh with Dunc.

The delegates' meeting in June had ominous prospects.

June 3. Read, G. W. R., Milliken, R. J. Moffatt, and I had a meeting on the question of forming a subsidiary company to handle non-pool wheat. We decided to put the both sides briefly before the delegates, but to recommend against it. Had discussion on 100 per cent. It is much more difficult than the average man would think even if the farmers would support it. Went to Winnipeg on the evening train. 13. All day dealing with compulsory pooling.⁴ They defeated a motion to have the delegates decide finally

by the mind of man. The truth is that there is no spiritual difference between the means used and the ends sought. The means gradually and inevitably become the end. Employ tyranny to secure liberty and you will achieve a worse despotism than the one you meant to abolish."

⁴The Board was opposed to a Primary Products Marketing Act supported by the United Farmers of Canada, but favoured a Grain Marketing Act. Various proposals were submitted by it to the delegates and the decision reached that a

on the question of asking the Government for legislation. They finally passed a resolution approving of the principle of 100 per cent pool by legislation. I didn't take part in the debate and perhaps I should have. I think it is the proper thing now to take a vote of our members on the question and later a vote if necessary of all growers as to whether all growers will have to market their grain through a pool. I think probably it is necessary, not because I think it is right, but because of the kind of men who have been persistently advocating compulsion and the situation they have created through preaching that we will never get another sign-up and turning aside the minds of the people from co-operation. We may find it very difficult to get another sign-up but the advocates of compulsion are the real cause of that condition if it really exists. I really find it difficult to decide whether to remain with the organization or not. I think it is quite possible we are done and yet it may not be so. I have no confidence whatever in some of the chief advocates of the scheme. — and — are men without principle, but — is much the best of the two. —'s main motive after all is what he thinks is the good of the cause but the end justifies the means. —, however, as far as I can see is just a smooth, slippery, shallow but, to many people, a plausible self-seeker. I cannot understand people being hoodwinked by him. The fact that so many are is one of the most discouraging weaknesses in democracy. —, I think, is at least sincere, but a born fanatic. An average bunch of successful business men would not bother much about him, but such as he will always be a real factor in a popular movement because of his fanaticism and power of appeal to the emotions. If I consulted my own desire only, I would resign tomorrow. It is difficult to know what is the right thing to do from the standpoint of the movement.⁵

16. Delegates' meeting. More than usual wasted time. The delegates, or a large number of them, appear to take the attitude when they come to a delegates' meeting—"We'll just sit down here until we're through and we will take as long to do it as we feel disposed to." There is no sign of any disposition to expedite business or to do it in a business-like way. That is one of the discouraging signs. The delegates turned down a motion that would have reduced their own pay. They are the same as most other human beings. They can talk quite glibly about reducing pay of the staff, but talk of their own and there are special conditions which apply. They think there are, and they think they are honest, but they take exactly the same attitude as the members of the staff who do not want a cut in salary. It is all right

referendum should be taken. A two-third vote was involved in the change of policy.

⁵On July 2, he wrote to D. L. Smith: "I have not changed my mind on the question of the value of compulsory legislation. This proposal, however, is so very much different from the one that was being advocated by Sapiro and his admirers for over two years that the people generally are taking a different attitude towards it. It is at least democratic in that all growers, when compelled to deliver grain, will have a voice in directing the affairs of the organization. The really vicious principles in the former proposal are eliminated."

so long as it does not affect their own. 17. Delegates' meeting all day. They speeded up a little to get through. Adjourned at 6 P.M. Some of the delegates would like to have compelled the opponents of compulsion to go out and support it or get out, but I interpreted the resolutions passed to mean that each delegate would go out and put the whole question fairly and squarely before the growers. I went to Winnipeg.

20. Board meeting in Regina all day. Publicity and Field Service Departments are to deal fairly with proposal and not evangelize for it. 28. Dunc, P. B. T., and I drove to Foam Lake where we had a very good afternoon meeting. Had a meeting in Bank End school in the evening. Hamilton boys were a little unfair in their attacks or treatment. They seem to think that anyone on the platform is legitimate prey.

Throughout the difficulties beginning in 1929 salaries were considered with greater caution and with the crisis of 1930 reductions were made and dismissals were numerous.

September 18, 1929. The Board turned down a request of ——— for an increase in salary from \$12,000 to \$15,000. A year ago they would have granted it. They are in some respects making progress. It is for the employer to decide when a salary is to be increased especially amongst the higher paid men. \$12,000 would appear to be above the subsistence line. **April 15, 1930.** We discussed at length lowering salaries over 125 or 150 per month by 5 or 10 per cent in view of difficult conditions in the country. The Board are more sympathetic to such an idea than ever before, but quite a number still reluctant. We must do all we can to make the organization a real co-operative in a practical way. 17. Board meeting all day. The Board decided to have the staff take two weeks' holiday without pay, which means a reduction of $16\frac{2}{3}$ per cent in three months. Those who do not take a holiday will have two weeks' pay deducted. The Board is apt to go from one extreme to another. Five per cent reduction would have been quite enough. 19. Spent most of the day at home. Had a talk with Alex Yates at the office re elevator staff. I think he has very good judgment. 25. Spent all day in the office. R. J. Moffatt, Findlay, Read, and I had a meeting in the afternoon to decide on application of the Board's policy of reducing salaries. We went to the staff dance in the evening. 28. Had a long talk with Fry over the whole organization. Fry has a clear head and a lot of ability. **June 2.** Spent all forenoon discussing the Orient and matters of the organization with G. W. R. and R. J. Had long talk with Read and Yates and later with Alex Yates on necessary changes in important positions in the elevator organization. **September 16.** All afternoon adjusting salaries. 17. Quite a part of the time adjusting salaries. **January 10, 1931.** Board meeting all day. . . . We made a number of drastic reductions in salary so that now the largest salary we are paying is \$10,000, which is enough at any time. **July 30.** Brouillette, Moffatt, Read, and I spent all afternoon discussing matters of management. 31. All morning with Brouillette, Moffatt, and Riddel working on the people who must be let out of the pool. It is a terrible thing to let these people out when jobs elsewhere cannot be secured, but we cannot help ourselves. We are reducing the pool

staff just now to 40. It was up to 231 at one time. Brouillette and I are leaving for Ottawa this evening. **September 21.** In the office all day. Brouillette, Moffatt, Read, Riddel, and I had a meeting in connection with cutting down staff and keeping married men on as much as possible. Went to Winnipeg.

The support for a compulsory pool gained ground with low prices and particularly with the growth of bootlegging⁶ which increased with the necessities of the farmers. Low prices and uncertainty wrecked the instalment plan. Steps were taken to carry out the recommendations of the delegates.

August 18, 1930. Board meeting all day. Discussed question of approaching the provincial Government for legislation giving complete control of the grain of Saskatchewan this year. It is evident that we cannot get even reasonable unanimity to go to the country and get deliveries on the 60 cent initial payment basis. The U.F.C. executive met our Board in the afternoon. **19.** Our executive with Williams of the U.F.C. met the Saskatchewan Government with a request to put into effect 100 per cent control legislation. The Government did not commit itself but intimated that such action would be more likely if Alberta and Manitoba did likewise. Anderson said he would need to communicate with the members to find out their attitude. I feel sure this is simply a waste of time but quite necessary to get out of the road before we can have any hope of unity of action on our Board. **24.** ——— gave an interview to the papers yesterday which he had no right to do and which I consider a breach of faith. **25.** Board meeting all day until 11 P.M. They passed a resolution in favour of continuing pressure on the Government until the end of this week for a special session to pass compulsory legislation.

The referendum sanctioned by the delegates in June was completed on September 1. The grower was asked, "Are you in favour of your directors asking the Governments to pass a grain marketing Act to provide that all grain grown in Saskatchewan must be marketed through one pool provided (a) that before the proposed Act should come into force it must receive a two-thirds majority vote

⁶In a broadcast on September 2 McPhail commented on the excellent co-operation of growers in making deliveries in Manitoba and Saskatchewan. "**September 13.** Spent most of the day in the office. Deliveries seem to be very good in view of the conditions with which farmers have to contend. We are losing grain but that could not be avoided altogether. **23.** I drove out with P. B. Thomson. We called at Southey, Markinch, Cupar, Lipton, Hubbard, and Ituna where we stayed all night. Spent the evening in the elevator office with Smith the traveller. Threshing everywhere completed. A great deal of bootlegging being done. More than ever before. **March 24, 1931.** All day being examined for discovery by a lawyer named Janike from Luseland in connection with a bootleg case."

in a special memorandum of all grain growers in the province to be conducted by the Government, (b) that the grain pool to be provided for must be entirely under the control of the growers delivering grain, and further that all producers of grain (whether pool or non-pool) must have an equal voice in the control of the organization." Of the completed ballots 32,653 favoured legislation and 12,991 were opposed in a total of 58.6 per cent of the ballots sent out. In district no. 9, 2,384 votes favoured legislation and 1,023 opposed it.

December 30. Burnell and I went up to Geo. Barr's . . . and met there W. G. MacKay, Grant Thompson, Roy McPhail, and a number of others, including Percy Roblin. They proposed the creation of a Dominion-wide organization composed of the Wheat Pool, Live Stock Pool, and Poultry Pool. We took the stand that the first step should be the creation of a provincial organization.

W. R. Fansher and Dufferin Young were in all morning. They discussed the question of an organization to take the place of the U.F.C. which, to my surprise, they believe is as good as dead. They say it is essential to have an organization which will speak authoritatively for the farmers as a whole. They suggest such an organization should be set up by the co-operative organizations with all of which I agree. I have felt for a year or two that sooner or later such a step would have to be taken as an organization such as the U.F.C. was not likely to live. Even if it did, it would be controlled by the extreme radical element because the sound element would be more vitally interested in the co-op. commercial organizations.

January 3, 1931. Met the Field Service men both afternoon and evening. Most of the discussion on 100 per cent control. Geo. W. R. and I met Dr. Anderson and McPherson, Attorney-General, to discuss the pool financial position and the Grain Marketing Bill. Our discussion was as satisfactory as it could be at this stage. They both take it for granted the bill is going to be introduced. I accompanied Parker Maloney, Australian Minister of Markets, in his private car from Regina to Moose Jaw. McGregor, Australian Trade Commissioner to Canada, was with him. Maloney spoke strongly in favour of 100 per cent control and said they would have it in Australia yet. He was rather critical of Bennett's Regina speech.⁷ Said a man under similar

⁷**December 29, 1930.** Anderson was planning how he could get Bennett to declare himself on certain matters in his speech on Wednesday evening, notably Crownest rates on the H.B. railway and considering Saskatchewan having come into Confederation in 1870 in place of 1905. **30.** Geo. Robertson and I met R. B. Bennett in the afternoon. We had a very pleasant interview—but got nothing very definite in the way of information. We got a strong impression that he was really very friendly to the pool and personally was anxious to see it through its difficulties. He said he told a group of grain men yesterday that the farmers would not return to the old system of marketing. Mrs. McPhail and I, with Geo. Edwards and Colin Burnell, attended Bennett's meeting in the even-

circumstances could not get off so lightly in Australia if he had nothing more to offer than Bennett did. 19. Executive meeting all day. I didn't go down until about 11 A.M. on account of my bad cold. We had a long discussion on the Grain Marketing Act. 20. Geo. Robertson, Bob Milliken, and I met the Liberal members of the Legislature at 10 to 12.45 in their committee rooms to discuss the proposed Grain Marketing Act. We had a long discussion on many phases of the proposed legislation and also in connection with pool selling policy. Gardiner seems to view the question in a measure from the standpoint of how he can embarrass the Government. There are great practical difficulties in the way this year because of our heavy losses last year and the uncertainty of who will finally have to bear any losses there may be this year. We may have a large carryover at July 31 this year and find it difficult to get rid of McFarland and thus be free to operate as we must do. 21. Robertson, Milliken, and I met the Government and its supporters from 10.30 to 12.30 today and discussed the 100 per cent pool. We had a good discussion.* 25. Bob Milliken called in the afternoon to discuss 100 per cent legislation. 28. McFarland is bitterly opposed to the 100 per cent pool idea. 29. I spoke to the Men's Club at their dinner at the Champlain Hotel on 100 per cent control. **February 4.** All day meeting between pool executive and McKay of Live Stock Pool, Mrs. Holmes of Poultry Pool, Charlie Little of Regina Milk Pool, and Gooding of the Saskatoon Milk Pool. We decided not to ask for a Primary Producers Act at this session of the Legislature. 19. A delegation of at least 1,000 farmers came to town this morning for the purpose of interviewing the Government with respect to passing 100 per cent pool legislation. Charlie Davis, of North Bay, was chairman, and spokesman. They met the Government in the Legislative Chamber at 1 P.M. They assembled in the City Hall again at 3 P.M. when I and a number of other directors and G. W. R. addressed them. I was in the gallery of the House in the evening when the House passed a resolution in favour of taking a referendum on the question of 100 per cent control.

March 4. All day in Regina. The Marketing Act came before the Agricultural Committee today. Marsh, Adams, G. W. R., and Bob Milliken appeared for the pool. 5. At the office all day. I went to Nokomis on the 2 P.M. train to a meeting of agents. Had good meeting. Drove back to

ing. There was a tremendous crowd. R. B. B.'s speech fell rather flat. There was a complete absence of jubilation. Although the speech had been heralded so long as something to look forward to, there really was little to give any encouragement to agriculture. The meeting must have been a great disappointment to Bennett and to Conservatives generally."

*See a mimeograph document "Arguments for 100 per cent pooling legislation January 21, 1931." It argued for the economies of large volume in reducing handling costs, for the possibilities of removing hedging pressure on prices on the Winnipeg market, and accentuating the importance of United Kingdom markets and for the advantages of the removal of strife throughout the province. The Winnipeg Grain Exchange was opposed to encroachments on hedging operations. See *Grain Marketing, Radio Talks* by A. P. White.

Regina after the meeting, arriving at 3 A.M. The Grain Act was again before the Committee in the evening. 6. Had a district delegates' meeting all day. I didn't get there until after lunch. The Grain Act was again before the Agricultural Committee at 5 P.M. and went through. Robertson and Milliken did good work. Had wire from Weir, Ottawa, asking me to name representative of the pool to attend conference of International Institute of Agriculture at Rome. I got in touch with Manitoba and Alberta. 10. All day in the office. Catton and Brouillette were in. The Referendum Bill was before the Committee of the Whole House this afternoon and evening. It finally went through with only one important change, that the word "compulsory"⁹ is to be used on the ballot. This change indicates clearly that a majority of the members are opposed to the legislation. Went to Winnipeg on the 7.25. 16. Board meeting all day. Milliken was with the Board nearly all afternoon going over the Grain Marketing Act and the Referendum Act. . . . Went to hear the Old Country Boys' Choir at Knox in the evening. 23. Spent all afternoon in the office. . . .

The demands of the country became increasingly heavy.

January 12, 1931. I was in the office all morning. P. B. Thomson and I drove to Elfros in the afternoon. It was quite cold, the coldest day we have had this year. . . . I started out with a very bad cold and really should not be out, but feel that I simply cannot cancel the meetings after they have been advertised. 13. Drove to Foam Lake after lunch. Addressed a large meeting in the town hall. A lot of questions. It lasted about 3 hours. We had a committee meeting for 2½ hours in the evening in the elevator office. 14. We drove to West Bend after lunch and addressed about 125 in the hall. There were two Englishmen who were quite nasty and suggested I should resign. They didn't appear to have any support. We drove to Leslie for supper at O'Brien's, then drove to Mount Hecla hall. The hall was quite cold, but they sat there until 12 P.M. About 75 or 80 in attendance with a great deal of discussion. We drove to Elfros and stopped there. My cold was quite bad after talking for 6 hours. 15. Martin Sveinson died last night after a great deal of suffering with cancer. He faced his trouble in a wonderful way. P. B. Thompson and I had lunch at Dunc's and drove to Wishart. There were about 75 out and the meeting lasted about 2½ to 3 hours. It was quite stormy and we had quite a time with the car getting as far as Dan McRae's, where we had supper. We got Dan to come along with a team of horses to Lestock to pull us out if we got stuck. We got along

"Are you in favour of a 100 per cent compulsory grain pool as provided in the Grain Marketing Act?" This bill no. 85 was passed with the Grain Market Act no. 86 and both were assented to on March 11. The preamble of the latter stated that "grain being the chief product of this province, the present unprecedentedly low prices thereof, coupled with the evident over-supply, has created a serious crisis in the economic life of the province, and . . . it is expedient to secure the marketing of grain co-operatively in an endeavour to obtain wider markets for its sale and to assist in eliminating frequently recurring fluctuations in its price."

all right, however. Got stuck twice, but dug ourselves out. 16. Left Lestock at 7.50 A.M. and got as far as Raymore without trouble. We tried to go south from Raymore on No. 6 and after going 7 miles and getting stuck several times, turned back to Raymore and drove west to Hatfield and south to Govan and into Regina. Got home about 3.30. The country is in a deplorable condition. Farmers who have worked hard and who have been thrifty are at their wits' end to know what to do.

February 16. Spent the morning in the pool office. I called on Pat Waldron and Harris Turner. I took the 12.45 train to Scott, where Langdon, the Field Service man met me and drove me to Wilkie. The Agricultural Society put on a banquet at 6.30. The meeting in the theatre was attended by between 5 or 600. It was a very good meeting from the standpoint of attention. No hostility in evidence. 27. I took the 7.30 train to Balcarres with Adam Alexander. His two sons met us at Balcarres and drove us to his farm for lunch, after which we drove to Ituna where I addressed a very large meeting, composed mostly of Galicians. . . . We drove to Balcarres where I addressed another very large audience. I drove to Regina after the meeting, arriving home about 2 A.M. **March 2.** Arrived in Duck Lake at about 9.30 and drove with Bill Urton to Prince Albert where I addressed the Board of Trade and Rotary at lunch. Visited the San. and Andrew Knox's with Knox in the afternoon and met the delegates of District 15. Addressed a large meeting in the evening. Upwards of 1,000 there. Met Jim McDougall's son today. 3. Bill Urton drove me to Mel-fort where I addressed a very large meeting. We called at Weir's farm at Weldon. Got back to Prince Albert in time to get the 9 P.M. to Regina.

25. Quite stormy with considerable snow. Parker of the Contract Department drove me to Semans. There was a poor turn-out, only about 100. We drove home after the meeting, arriving here about 10 P.M. Bill Yule of the Royal Bank called on me in the morning to talk over the advisability of appointing ———. He was strongly in favour. I told him I didn't believe he would be any good from the standpoint of the debtor. **September 19.** Office all morning. Brouillette was in. Bob Steele and I drove to Elfros in the afternoon where I had a meeting in the evening. There were about 150 out and a very good meeting.

Every effort was made to strengthen the position of the pool by publicity.

December 3, 1930. Discussed a more aggressive publicity campaign. 28. All day in Saskatoon. Chas. King and Pat Waldron came down in the morning to the Flanagan. After a light lunch I went to McNaughton's until 7 P.M. From then on Harris Turner and Charlie King were with me at the hotel. Talked all day about the pressing problems of the farmers. **January 8, 1931.** Spent day attending executive meeting. Brouillette, Marsh Adams, and Moffatt present, also Robertson, Evans, and Fry. Long discussion on publicity and taking over *Western Producer*. I took evening train to Winnipeg and spent evening with Wood, Jensen, and Hutchinson. **February 17.** Left Wilkie about 8.30 and arrived in Saskatoon about 11.30. Spent the afternoon in the office with King and later Waldron and Turner

came. I spent the evening with the McNaughtons. They are not in favour of 100 per cent control on the present plan. **May 1.** We had a meeting on organization. We decided to cut down on expense both publicity and organization. **19.** We had a *Western Producer* committee meeting at noon. **21.** Board meeting all day. Fry, Bill Riddel, and I met the Cabinet in connection with the *Western Producer*¹⁰ transfer. The Board decided to take it over today because it cannot continue longer and we must save it from going to pieces to save our interest in it. **June 18.** Board meeting all day. Pat Waldron was down and a great part of the day was spent in discussing the taking over of the *Western Producer*.

August 21. Board meeting all day. Roy McIntyre was here again. We spent all afternoon on *Western Producer* with Pat Waldron and Fry. We discussed ways and means of increasing circulation. If we could get the elevator management to take a positive attitude in place of a negative one, we could get a wide circulation through our agents. **22.** Board meeting all day. We got the Board to take a very definite attitude with respect to *Western Producer* circulation. We instructed the Elevator Co. to get 25,000 subscriptions. It is a hell of a condition where a Board have certain ideas and ideals and their management can thwart them simply because they are not in sympathy and the poor Board don't know that they can never succeed unless their keymen understand and are in sympathy with co-operative principles. **25.** All day at the office. Had a meeting on the *Western Producer* campaign in the afternoon with Bob Moffatt, Geo. Robertson, Fry, C. King, Read, and Yates. Read and I went to Winnipeg.

The pool Board was weakened by the stress of the period.

May 31, 1930. Spent the morning in the office. Wilson told me he had decided to resign from the Board. I have no doubt he will run for Parliament. I am sorry he is leaving the Board. He is a real loss. Dundas, Ramsay, Kennedy, Baldwin, and now Wilson gone. It is serious for the organization. **November 22.** Board meeting all day. Adjourned at 5 P.M. Quite a record to get through in four days.¹¹ We would have been through a day or two earlier but for ——— who as usual took up most of the time simply talking. He can be backed against all comers in the world for a time waster.

December 9. I was in meeting all day, mostly with the delegates of District 9. I met also the delegates of Districts 1 and 7. I was elected unanimously as director. **10.** Spent all day at the office. Met the delegates of District 10. Geo. Edwards came home with me for lunch. I was very sorry that Wilson was defeated as director for District 6. The organization can ill afford to lose a man of his sound business judgment at this time. . . . I went to Winnipeg on the 11 P.M. as did also Brooks Catton.

¹⁰The Modern Press Limited was taken over and the capital stock of a new company to the extent of \$100,000 held by the Saskatchewan pool.

¹¹**August 18, 1931.** Board meeting all day, mostly discussing future policy. A large Board is a great handicap to an organization. It tends to become a convention. It is almost impossible to avoid a great deal of waste of time.

16. First meeting of the 1931 Board and a good part of the day was taken up with organization. I was re-elected to my former positions without opposition. Wesson and Catton were elected to Central, but defeated for the executive. Marsh Adams, and R. J. Moffatt were put on the executive in their place. We had a long discussion on Central, McFarland, and policy. A number, amongst them ———, wanted to kick over the traces and let the banks do what they liked with Central rather than submit to McFarland's dictation. Most of them, however, were in favour of a middle course. It is pretty hard to swallow. The course of the market since McFarland announced his new policy is proof positive that he is wrong. The arguments on his side are most of them unutterably silly as to be not worth paying any attention to, but for the fact that the grain trade are in the saddle and the banks and the C.P.R. for the time being in a farmers' organization. But wait. They will one day be put in their proper place.

July 7, 1931. Delegates' meeting all day. Charlie Davis was chairman. Discussed Wheat Board and repayment plan and distribution of 1928 surplus. They voted in favour of the distribution of the total surplus, even to those growers who had an overpayment on the 1929 crop. 8. Delegates' meeting all day. I had to tell delegates amount per bushel loss on the various kinds of grain. They took it without comment, which is a tribute to their reasonableness. Findlay was answering questions most of the afternoon. 9. Delegates' meeting all day. I was before them most of the morning answering questions affecting Central. The delegates held a meeting in the evening to consider what to do with respect to 100 per cent legislation appeal to Privy Council. They decided to postpone action until another time. As a matter of fact they have no business taking up any of the time they are being paid for by the organization in discussing the matter. In any case they are much better advised to let it drop for the time being and concentrate on saving our Elevator Co. 10. Delegates' meeting all day, most of which was wasted in discussing whether or not we would suspend the contract and conduct a voluntary pool. . . . We had a District 9 delegates' meeting in the evening and afterwards went out to a dance at R. A. Robinson's barn. 11. Delegates' meeting all day again, and again the greater part of the time wasted by the same questions being repeatedly asked.

The problem of maintaining control of their assets in the face of demands from the provincial Government became serious.

December 29, 1930. All day at the office. Geo. Robertson and I met Dr. Anderson at 4.30 to discuss the financial position of the Saskatchewan pool. He wanted me to see Bennett. He is really more interested in other matters of a political nature. **January 17, 1931.** I went to the office about 12 K. and again in the afternoon to meet Catton, Wesson, Milliken, Moffatt, Read, and Riddel on the question of repayment to the Government of the 1929 pool losses. 22. Board meeting all day. We spent most of the afternoon on the Central Report. The Board agreed to authorize Read, Manager of the Elevator Co., to purchase grain which may be sold by Central out of pool elevators and to hedge it in the futures market. This is to ensure the Elevator Co. earning its carrying charges. 24. Board meeting all day. Spent a good deal of the afternoon on plans for repaying the 1929 losses.

We discussed advisability of writing off the value of elevator and commercial reserve certificates to their actual value, first cancelling all value in the C. Res. Certificates and writing the E. Res. Cert. to the actual equity in the Elevator Co. in consideration of the 1929 losses. It is the most clear-cut way of dealing with the problem and starts everybody in the new organization off on an equal footing. **May 19.** Board meeting all day. Considering elevator business, long discussion on policy of dealing more effectively with agents. At 6.30 we had a dinner at the Champlain Hotel with W. G. MacKay of the Live Stock Pool as speaker on the necessity of organizing the commodity co-operatives. **20.** Board meeting all day. I gave the Central Report. We had Mr. Parton of Touche and Co. to discuss plan of repayment of the 1929 overpayment. Had good discussion. Got further than we have ever done so far with this question. Most of the Board appear to favour now dealing with it on an individual basis. Had another meeting of the *Producer* Committee at noon and an executive meeting at night on the overpayment. We are in a very difficult financial position.

The emergence of the provinces as financial guarantors of the pools led to demands on the part of each province for control over its pool. This hastened the break-up of Central and to the insistence of McPhail on the continued independence of the farmers' organizations.

May 21. Bryant suggested the Government taking over the Elevator Co., running it for a year and putting it under an independent committee to run. I pointed out weakness. McPherson appeared to disagree strongly. **22.** Board meeting all day mostly discussing future policy. The Board pretty well decided that we cannot operate a pool this year with market prices at present levels or even substantially higher. **June 26.** All day in Toronto, a good part of the time at the pool office. I had lunch with Irwin of *Maclean's Magazine*. Wednesday afternoon I had a talk with Premier Anderson. He told me, as I had reason to believe before, that the Government was seriously contemplating taking charge of the elevators, or at least insisting on majority representation on the Board. I told him the more Government representatives there were, the less chance of success there would be. To make a success, the farmers must have a sense of ownership and responsibility. **July 27.** Board meeting all day discussing the results of the conference last week in Winnipeg. Bryant came into my office after lunch with an agreement he had drafted as supplementary to the existing agreement between the Government and the pool. He said he wanted it signed right away. I took it up with the Board. It contained more unfair conditions which we simply could not sign without giving ourselves over body and soul to the Government. Bryant is a particularly ———, ———. **29.** Board meeting all day, most of the time by itself to discuss internal matters. Board adjourned at last. **31.** Bryant sent down another draft of an agreement and wanted it signed at once. **August 29.** In the office all morning. I was to meet the Government at 12 o'clock, but on account of having to go out to a meeting at Bank End, I arranged for Brouillette, Moffatt, and Milliken to go. They did not meet with much success on the

agreement. The Government want altogether too much control over our Elevator Co. Brownlee¹² who is supposed to be our friend, is mostly responsible for our trouble with the Government because of his unreasonable attitude in Alberta. Mainwaring drove with me to Bank End where we had a very good meeting.

June 20, 1931. Spent all morning in office with Paul Bredt, Findlay, McLeod, and others. McLeod and I spent all afternoon with Bracken at his house, discussing the report of the Williams Commission¹³ into Manitoba pool elevators. The report is quite critical and Bracken discussed with us the attitude and action of the Government under the circumstances. I advised leaving control as much as it is possible to do in hands of the farmers. The farmers can make a success of the elevators and the Government cannot. Bredt, Burnell, and Murray had conference with Bracken in the evening.

According to the report of Saskatchewan Co-operative Wheat Producers Limited dated November 18, 1931, the 1928-9 pool was wound up with a surplus of \$1,782,228. The overpayment on the 1929-30 pool totalled \$14,770,580 and after adjustments for expenses and other accounts and deducting the surplus of 1928 the total overpayment was \$13,265,054. With the coarse grains the total exceeded \$22,000,000 and the obligations were assumed by the separate pools, Alberta \$5,649,000, Saskatchewan \$13,752,000, and Manitoba \$3,491,611. Bonds were issued by the Governments to the banks and by the pools to the Governments.¹⁴

With the arrangements for the initial payment of the 1931 crop for the Saskatchewan pool¹⁵ McPhail's work was done.

August 4. We met the Prime Minister at 11.15 to 1 P.M. We had a fairly satisfactory meeting. The Prime Minister agreed to guarantee the finances of the Elevator Co. on reasonable terms. We raised question of initial payment on pool wheat. He evidenced willingness to support some payment. Brouillette and I met Weir at 3.45. We met the Prime Minister again at 4.45. He did not seem to want to support more than 35 cents of an initial payment. He spoke quite strongly against Brownlee coming into the pool on grounds that it would introduce a political element. He did not want to back the pools with Brownlee in the picture. I do not think

¹²"July 7, talked to Purdy on phone and he told me Brownlee proposed Government representation on the pool Board with voting power or at least with veto powers in financial matters which is very bad for us."

¹³*Report of the Royal Commission on Inquiries into Charges against Manitoba Pool Elevators Ltd., 1931.*

¹⁴See H. S. Patton, "The Canadian Wheat Pool in Prosperity and Depression" (in *Economics, Sociology and the Modern World: Essays in Honor of T. N. Carver* Cambridge, 1935).

¹⁵"We are in a position to be able to carry on our elevator company under our own management and to conduct a pool on a voluntary basis for those who can and will deliver to it this year. We are simply forced for the time being to operate

he gave the real reason of his opposition to Brownlee coming in. I believe he feels a great farmers' organization might be built up which might be used for political purposes. If that is his reason, I am sure it is wrong. The only safeguard the old parties can have against a strong western farmers' political movement is a strong farmers' commercial organization. If the commercial organizations go out, there is nothing will save the old parties from being swept out. 5. All day Ottawa. Brownlee, McConnell, and McFarland met the Prime Minister with Wilson and White of the Bankers' Association. The only development was final agreement to a 35 cent pool initial payment. Bennett's attitude in leaving Bredt and me in his secretary's office while he discussed matters of vital concern to the pool with McFarland, is the greatest insult he could be guilty of so far as we are concerned. He showed his utter contempt for farmers in this act. I would not for one moment have tolerated it if I had not the organization to consider.

The small banks were excluded from participation.

August 10. All day at the office. The managers of the Nova Scotia, Imperial, and Dominion Banks were over to see me re participation in grain loans. They withdrew two years ago when the money market started getting tight and now when there is a Government guarantee in sight, and when there is no risk, they want to get part of the loan. 20. Board meeting all day. Roy McIntyre was in attendance. Had long discussion on giving part of our loan to the smaller banks. . . . The Board decided against letting them in. **September 17.** Board meeting all day. Liggins of Bank of Commerce, Bill Yule of the Royal, and Haberer of the Montreal were up in the morning about the pool credit for this year. As usual the banks want to get their hands on all the security they can think of. They would want our souls if they were worth anything.

The last extensive entries in the diary follow.

September 8, 1931. Attended lunch of Chamber of Commerce and heard Brownlee give a very good address. Listened to a good deal of rubbish about remedying the ills of agriculture from men who have no interest in the question other than personal gain. Farmers are the only men who will remedy farm conditions. Had a good deal of talk with ———. According to him the Government here have not much confidence in the pool Board. I may say I would not trade my own judgment on business matters for that of any single member of the Government. 10. All day in the office. Heard Col. Wood give his Presidential Address to the Canadian Chamber of Commerce. It was very nicely worded but very empty. The address of a kindly old gentleman without any idea of the causes of the present depression or how we are to get out or avoid a recurrence of another such experience. I take it he does know something of these things, but if he does, he kept it to himself. I go to Winnipeg tonight.

as we will do this year owing to the terrible financial plight of the farmers" (letter from McPhail to the editor, August 21, 1931).

CHAPTER X

CONCLUSION

FOR all these reasons (and notwithstanding the adverse consideration to which I have referred in relation to government boards) I do not feel that I can suggest the immediate dissolution of the Canadian Wheat Board." So wrote Commissioner W. F. A. Turgeon after his experience as chairman of the Commission in 1923 and an extended survey of the problem since 1930, at the end of his *Report of the Royal Grain Inquiry Commission*, 1938. It could be said that those timorous words were written in the lives of A. J. McPhail and L. C. Brouillette. It was not for McPhail, who died on September 28, 1931, at the age of forty-seven, to see the promised land and it was for Brouillette to carry forward the struggle to its successful conclusion before his death on April 22, 1937, at the age of fifty-one. The task of consolidation has been left to those who lived after them. Never again would the price of wheat to the grower in Western Canada reach the low levels of the depression. An abutment had been built in the bridge to security across the morass of violent fluctuations and uncertainty of income in the Prairie Provinces.

It will not be possible to appraise the work of McPhail until we have had biographies of such men as Brouillette and Robertson in the Saskatchewan organization, of Wood, Brownlee, and McFarland in Alberta, and of Burnell and Bredt in Manitoba. The influence of Dr. H. W. Wood on the leaders of farmers' organizations in Western Canada deserves careful study. He gave the initiative which led to the establishment of a farmers' government in Alberta and to the establishment of the first wheat pool. McPhail and the group of able men who surrounded him followed in Saskatchewan. By concentrating on the task of building up a pooling organization based on the patronage system they broke the interlocking directorates which linked political activities and commercial organizations. The formidable handicaps which it was necessary to overcome imposed severe strains on all concerned, but the ultimate unity stands as a tribute to their efforts. McPhail's contribution was the preservation of unity. To that end he was willing to sacrifice his opinions again and again and eventually his life.

The structure of farmers' organizations intensified the difficulties of securing unity. The United Grain Growers had emerged from the struggle with the Winnipeg Grain Exchange and was precluded from the payment of patronage dividends. It developed an effective elevator organization in Alberta and Manitoba from a background of governmental difficulties. In Saskatchewan the greater predominance of wheat growing and a more adequate organization facilitated the establishment of the Saskatchewan Co-operative Elevator Company with government co-operation. These organizations flourished with the high prices and the substantial crops of the Great War period and farmers' educational and political organizations became more closely associated with the commercial organizations in Saskatchewan, and less closely in Manitoba and Alberta. In the latter provinces, a single commercial organization, the United Grain Growers, was in control of the elevators, and farmers' energies in each province turned to the educational and the political fields.

The effects of the sharp decline in the price of wheat after the Great War were evident in the concentration of Alberta on problems of politics and prices, and of Saskatchewan on the interlocking directorates between the government, the commercial organization, and the educational organization. The concentration of control which emerged from the prosperity of the war period became the object of attack. To offset the dangers of concentration of control, democratic forms of organization were accentuated. In the Saskatchewan Wheat Pool, officers were elected annually as delegates, directors, and officers, and the number of directors was made to equal the number of federal districts, namely sixteen. In contrast, Manitoba and Alberta each had seven directors. With a smaller number of directors and less emphasis on annual elections, their energies would have been spared for the fundamental problems of administration. It is possible that less emphasis on public opinion would have involved a more favourable atmosphere for the consideration of arrangements with the Saskatchewan Co-operative Elevator Company and for the acquisition of control under less onerous conditions for the pool. Not only would conditions of acquisition have been more favourable but the enormous burden of administering the business of a highly organized elevator business would have been carried by an organization less exposed to the pressure of public opinion. Officers of the pool with limited experience and subject to annual elections were required to administer a large staff en-

trenched over a long period of years in the development of an extensive elevator system based on the share and dividend principle.

The acquisition of a large provincial and terminal elevator system by the Saskatchewan pool created difficulties for McPhail not only in the province but also in the Central Sales Agency of which he was the president. With a large elevator system and the profitable character of terminal operations, the policy by which the Central Sales Agency controlled the terminal facilities broke down and they were returned to the provinces. The Saskatchewan pool became particularly concerned with the construction and acquisition of additional elevators, and with legislation, the Campbell amendment, enabling the grower to designate the terminal facilities for his wheat. Difficulties with the United Grain Growers and with the private elevator companies were enhanced.

The complex problems arising from increased earnings from terminal operations hastened the acquisition of elevators and terminal facilities by the pools of Alberta and Manitoba and led to attempts to solve the problem of allocating profits from mixing in terminal facilities by prohibiting the practice. The pressure of grower opinion especially in low grade crop years strengthened the demands for a more efficient grading system. Legislation directed to this end, and the appointment of a new Board of Grain Commissioners, in which the manager of the Central Selling Agency became chairman, in part met these demands. The profits of private companies were subject to further encroachment and the bitterness of their attacks increased.

The acquisition of elevator systems by the provincial pools and especially by Saskatchewan was accompanied by the development of coarse grain pools and by increasing attention to the problem of sales. Loss of control over terminal facilities which was chiefly a result of the acquisition of the Saskatchewan Co-operative Elevator Company, and the dangers of dependence on the Winnipeg Grain Exchange, evident in the spring of 1925, compelled the Central Sales Agency to build up direct outlets for wheat in Eastern Canada, the United States, Europe, and the Orient. An office was opened in London as a central support to a wide range of activities. With less influence over terminal facilities Alberta became more concerned with efforts in the Central Selling Agency to maintain prices. The policy commended by Mr. Justice Turgeon of holding in the autumn and thus relieving the hedging pressure, and selling in the spring on

a more favourable market, was effective and appeared to warrant the steps taken in 1929 to check the downward swings. These steps may have accentuated speculative activity and increased the demand for a compulsory pool, but with other business organizations in North America concerned with European trade, the Central Selling Agency was caught between the effects of depression in Great Britain and the intense speculative developments centring in New York which were based on the major changes incidental to the Panama Canal and the emergence of the United States as a creditor nation after the last war. The crash in November meant loss of resiliency in the speculative market and the futility of efforts of the pool to check the decline in prices in 1930. It became necessary for the provincial governments and eventually the Dominion government to take measures steadying the price of wheat.

The intervention of provincial governments to provide financial support for the pools was followed by demands especially from Premier Brownlee for control over pool policies. These demands were accompanied by steps to withdraw from the Central Selling Agency. The appointment of Mr. McFarland as manager, and support of the Dominion government, were followed by the closing of European offices. With this step, the chief *raison d'être* of the Central Selling Agency disappeared. The lynch pin was broken. It was difficult for Mr. McFarland as a representative of the government to maintain offices in Europe with government funds. But it was ironic that he should have insisted on the closing of the European offices on the ground that they, along with statements made by pool officials at international gatherings but not by the president of the organization, and the propaganda for compulsory pooling, were responsible for the antagonism of the European grain trade, and that his holding policy should have been subject precisely to the same charges. The policy paved the way for the Wheat Board with its machinery for holding prices from low levels. The pools provided a cushion for the depression period and contributed to the introduction of a permanent feature in the economy of Western Canada.

The struggles of the period were part of a movement marked by the competition of Regina and of Calgary supported by the Panama Canal, with Winnipeg. Broad political manoeuvres¹ were discerni-

¹N. J. Ware and H. A. Logan, *Labor in Canadian-American Relations* (Toronto, 1937), pp. xx-xxii.

ble in the interest of Mr. Bennett and Mr. McFarland in the first pool contract in Alberta, in the arrangements with the Alberta Pacific Elevator Company, Mr. McFarland's organization, and in the work of both men in establishing the Wheat Board. The tactics of the Conservative party favoured the pooling system in contrast with the arrangements proposed by the farmers' commercial organization, the United Grain Growers under Mr. Crerar, and the Saskatchewan Co-operative Elevator Company under the Liberals in Saskatchewan. But the interests of the organization precluded political activity.²

The fundamental problem of the organization was that of combining democracy with administration. The demands which it made on McPhail will be apparent to anyone who cares to glance through the index of places he visited or of individuals he met. Every large organization including governments is faced with problems of personnel. Organizations are built up around individuals

²McPhail wrote to a federal member in a letter dated February 21, 1928: "We are not bargaining with or taking dictation from any men or any set of men belonging to any political party in Canada and furthermore we have not been approached, so far as my knowledge goes and I think I have fairly definite knowledge, to exact a price from the pool to further party ends for any party organization or any individual belonging to any party organization."

I have always been strongly of the opinion ever since the pool was organized, regardless of strong personal private political opinions, that this organization and its officials must keep absolutely clear of any political entanglements in connection with any party. I believe that the organization and the officials connected with the organization have been able, to date, to pursue this course." He was pleased with the difficulties of the Liberals in 1925 and was aware of the plan of the Hon. Manning Doherty to become Minister of Agriculture in a prospective Meighen government in November of that year "with a free hand to support without reserve the pooling method of commodity marketing." He hoped the *Western Producer* would support Meighen. "I am sure that the West has more to gain from him than from Mackenzie King. It does not matter which party is in power so far as the tariff is concerned."

He had a keen admiration for Mr. Dunning. "April 30, 1926. Had long talk with Dunning in afternoon. He told me of some of his difficulties. He is a remarkable man and I like him immensely personally. He has a great opportunity and I hope he fulfils the expectations of his friends. I had dinner with Agnes McPhail. She too is a strong character and I am sure has gained the respect of Parliament and the country." With regard to E. C. Drury, "I rather liked him. He is a real farmer." In 1928 he was depressed with the success of Hoover in the United States. "The U.S. is the most selfish and reactionary country in the world and the Republican party the most ultra-tory party in any country."

but little light has been thrown on the struggles which take place between rivals within firms. The diary describes the constant struggle between the elected and the appointed. It covers a period in which far-reaching changes took place in the marketing and financial structure of a basic commodity. The amazing rate of growth of an organization which controlled a large proportion of the wheat of Western Canada and had the largest turnover of any business in Canada imposed tremendous problems on those concerned with its direction. The attempt to achieve security in a widely fluctuating economy paradoxically involved intense conservatism in a democratic structure. Rigidity of organization follows from the fear of the consequences of change. The problem of combining administration of a large organization with an alert economic democracy is intensely difficult. Failure to provide for gradual changes in personnel leads to conservatism and rigidity. The fears of a democracy encourage centralization. The Saskatchewan pool in a sense suffered from the worst of both worlds and its leaders have paid a heavy price. If democracy had been less intense in Saskatchewan, co-operation with Alberta might have been attained more effectively. It has been argued that the cost of the Saskatchewan co-operative elevator system might have been less, and the difficulties of administration reduced. It might have been possible to build up a more liquid financial position and to have developed a more aggressive sales policy. Central Sales Agency with its numerous offices might have been maintained. McPhail and Brouillette might have been alive. McPhail's diary would certainly not have shown all the elements of strain which were a part of the struggle. But it is perhaps safer to say that the fluctuations in objective from the centralization of the Saskatchewan Co-operative Elevator Company in the prosperous period of the war to the fervent democracy of the Saskatchewan Wheat Pool in the depression after the war were a reflection of the fluctuations of a wheat economy.

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